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NEWS SUMMARY

GENERAL

Howell 'named on gift list'

The name of Mr. Denis Howell, the Sports Minister, appeared on a gift list, it was claimed at an Old Bailey corruption trial.

An alleged Christmas gift list showed that Mr. D. H. Howell MP received whisky, gin and sherry in 1963 and presents of cigars and cigarettes also appeared against his name, Mr. Justice Melford Stevenson said.

Mr. Anthony Cripps, QC, prosecuting, said it was not clear that all the gifts were accepted by those named on the list. There was evidence that in some cases those named turned down gifts. He did not specify who had refused them.

The trial concerns Mr. Alan Christopher Bryant, 53, chairman of Bryant Construction Group, Birmingham, who is accused of corruptly providing gifts and entertainment to win council contracts. Mr. Bryant pleads not guilty to two counts alleging conspiracy to corrupt.

Mr. Howell hosted a dinner in the City of London last night for European Sports Ministers who are attending an EEC conference. Page 8

Rhodesia is to free hundreds of detainees

Rhodesia's transitional Executive Council announced last night that several hundred black nationalist political detainees are to be released in the next week as a result of the internal settlement agreement. Further, restrictions are to be withdrawn on 254 people who have been freed already. Back and Page 6

Tougher migrant curbs rejected

The Government rejected the call from an all-party committee of MPs for tougher curbs on immigration including an annual quota system, possible internal control on entrants and a ban on child dependants over the age of 12. Back and Page 14

Princess likely to resume duties

Princess Margaret, who has been ill with 'flu, is expected to resume public engagements as soon as she is well enough. Mr. James Callaghan, dined with the Queen and her guest, Dr. Kurt Waldheim, the UN Secretary-General at Windsor last night. The Treasury is to announce this year's total royal allowances to-day, but individual allowances may not be known for some months.

Lebanon clash

Three Israelis were killed and four wounded in a Palestinian ambush near Tyre. Page 6

Moro arrests

Italian police arrested three men and a woman near Naples who may be linked with the Red Brigades guerillas who kidnapped former Premier Aldo Moro.

Parcel bomb

A parcel bomb—the third in three days—was delivered to a Ugandan Asian's Romford, Essex, home. It failed to explode.

Briefly . . .

Mr. John Le Mesurier, the second man to be questioned in connection with an alleged murder plot, left Bristol police headquarters after 29 hours.

By-elections in the two safe Conservative seats at Wycombe and Epsom and Ewell are expected to be held on April 27, bringing to four the total of by-elections in the next three weeks.

Mr. James Callaghan last night asked the Parliamentary Labour Party not to discuss the neutron bomb until next week.

The Booker Prize for fiction is to be raised from £5,000 to £10,000.

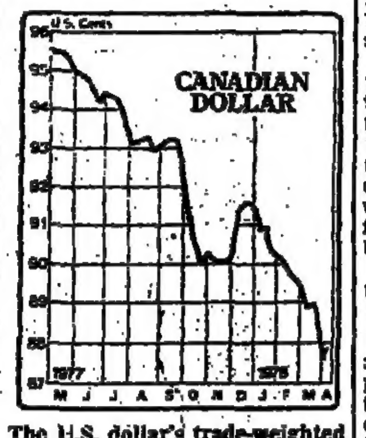
BUSINESS

Equities rise 1.2; Canadian $ rallies

● EQUITIES made another firm showing, as optimism about the Budget continued to buoy up market sentiment. The leaders, however, finished below the day's best. The FT 30-Share Index, up 4.0 at 10 a.m., closed at 471.4, up 1.2 on the day.

● GILTS made modest gains, the FT Government Securities Index rising 0.17 to 74.23.

● STERLING edged down 5 points against the dollar to $1.8740, but its trade-weighted index was unchanged at 62.2.



The U.S. dollar's trade-weighted depreciation widened to 6.42 (6.27) per cent. Canadian dollar recovered to 87.86¼ cents from its record low of 87.86¼ cents.

● GOLD closed $1.25 higher at $180.125 after nervous trading. U.S. has no immediate plans for gold sales. Page 4

● WALL STREET rose 0.27 to 752.95.

UN disclosure plan opposed

● CAMPAIGN is being mounted to try to prevent a special United Nations commission from adopting proposals which could force multinational companies to disclose more information in their annual reports—including data on employment investment and environmental matters. Back Page.

● FORD U.K. made an "encouraging increase" last year on the record £122m. profit achieved in 1976, said Mr. Terry Beckett, the chairman and managing director. Page 8 Leyland bus chief named, Page 9 Leyland pay deal, Page 22

● PARTNERS in the Beryl oil field in the North Sea have signed a State participation deal. Page 8. Lack of tax incentives could hold back development of small, marginally economic fields in the North Sea, says a Shell executive. Page 9. North Sea oil review, Page 15.

● BRITISH-AMERICAN Tobacco will enter the U.K. cigarette market nationally next month with a big promotional campaign. The move is expected to intensify the cigarette price war. Back and Page 16

● EXECUTIVE of the Civil and Public Services Association—the biggest Civil Services union—is recommending that its members accept a 9.5 per cent. pay offer. The move is likely to encourage other white-collar workers to conclude pay deals within the Government guidelines. Back Page

● EUROPEAN OPTIONS Exchange turnover increased on the second day of operations. Page 30. European Options Exchange prices, which will appear regularly in the Financial Times, are to-day on Page 39

COMPANIES

● BOWATER pre-tax profit rose 11 per cent. last year to £87m. Page 26 and Lex

● CADBURY SCHWEPPES made slightly higher pre-tax profit of £48.2m. (£46.4m.) last year. Page 25 and Lex

● TAYLOR WOODROW made pre-tax profit of £22.42m. (£21m.) last year. Page 25 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 10½pc 1995	£90⅝	+ ⅛
Austin (J.)	112	+ 5
Bassett (G.)	146	+ 6
Black (A. and C.)	88	+ 10
British Printing	48½	+ 2½
Brown (J.)	298	+ 5
Christies Intnl.	95	+ 5
Diploma Invs.	147	+ 9
Dunhill (A.)	357	+ 17
GKN	278	+ 4
House of Fraser	150	+ 4
Jones and Shipman	120	+ 8
London Brick	66	+ 5
MK Electric	170	+ 7
Marshall's Universal	162	+ 10
Pauls and Whites	121	+ 6
Primrose	92	+ 4
Royal Worcester	123	+ 10
Sotheby	258	+ 6
Spirax-Sarco	285	+ 9
Stothert and Pitt	170	+ 10
Tilbury Contracting	278	+ 14
Utd. Scientific	296	+ 12
Anglo Amer. Corp.	306	+ 8
De Beers Dfd.	322	+ 6
North Broken Hill	99	+ 6
Pancontinental	£10	+ ¼
Peko-Wallsend	455	+ 15
Union Corp.	284	+ 6

FALLS

Aberthaw Cement	150	− 10
Albright and Wilson	107	− 7
Bowater	188	− 4
Channel Tunnel	55	− 6
Croda Intnl.	50	− 4
Furness Withy	221	− 9
Manchester Garages	24½	− 3½
News Intnl.	262	− 5
Savoy A	72	− 4
Smith (W. H.) A	147	− 10
Taylor Woodrow	370	− 12

Eastern Airlines in $778m. deal for 23 Airbuses

BY JOHN WYLES: NEW YORK, APRIL 6

The European aerospace industry to-day won its most valuable contract in the U.S. when Eastern Airlines announced it had signed a $778m. contract to buy 23 of Airbus Industrie's A300-B4 passenger aircraft.

The deal is still subject to the approval of Eastern's lenders who were given details at a meeting in Miami this morning.

However, both Eastern and the Airbus Industrie consortium are confident of acceptance because the financing terms clearly acknowledge that Eastern is one of the less financially robust of U.S. airlines.

Mr. Bernard Lathiere, president and chief executive of Airbus Industrie, claimed that the agreement was of "milestone significance."

The European consortium whose members include manufacturers in France, Germany, the U.K., Holland and Spain, believe that Eastern's decision to "go European" will unlock other orders from U.S. airlines which have not made any significant purchases outside of the U.S. for more than a decade.

To-day's announcement means that there are now 95 firm orders for the A-300 and 44 options.

Eastern has taken options on an additional nine B4s and, surprisingly, has also placed options for 25 of the smaller A-300-B10 design which is on the consortium's drawing board awaiting a policy decision to build.

Eastern first expressed interest in the A-300 last spring and subsequently took four of the aircraft on a six-month lease last December, at virtually no direct cost.

Mr. Frank Borman, the airline's chairman, who is a former astronaut, spoke glowingly of their experience with the Airbus. "No new aircraft ever placed in service by Eastern has functioned, from the outset, with so few mechanical problems and other flight delay snags as the A-300," Mr. Borman said.

He then stressed one of the aircraft's strongest selling points: "The aircraft has operated at a fuel economy 30 per cent. better than our fleet of smaller three-engine jets on a seat-mile basis, and has proved to be 20 per cent. better in costs per aircraft-mile than our large three-engine wide-bodied equipment."

Eastern's existing fleet is made up largely of Boeing 727s and Lockheed TriStars.

About $552m. of the cost will be externally financed.

Airbus Industrie has agreed to arrange $250m. ten-year export credit financing through European banks which will be guaranteed by individual national export credit guarantee agencies.

In addition, Airbus will provide $96m. of manufacturers' subordinated financing, and General Electric, which will supply 55 engines worth $140m., is to provide $45m. of subordinated financing.

The interest burden on this manufacturers' financing will be variable and adjusted according to Eastern's profitability.

Michael Donne, Aerospace Correspondent, writes: The deal is likely to bring about £100m. of business directly to British Aerospace in the U.K., on the manufacture of the wings for the airliner, together with associated systems.

British Aerospace, although not a full member of the Airbus Industrie group, nevertheless also has an overall design consultancy role on the aircraft.

Among airlines with whom Airbus Industrie is negotiating are Olympic Airways and El Al, and Allegheny and Pacific South Western in the U.S.

Airlines which have also shown strong interest include United of the U.S., the biggest airline in the Western world, with over 35m. passengers a year, Air Canada, and Trans World Airlines.

ECGD and Tri-Star deal Page 7

EEC to discuss greater currency stability to-day

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, April 6.

WAYS OF promoting a return to greater currency stability in the face of the dollars continued weakness—possibly including a narrowing of EEC exchange rate movements around the currency "snake" are expected to be among the main issues discussed by heads of the Nine Common Market Governments when they meet in Copenhagen to-morrow.

The two-day talks are the first in a series of three meetings of Western leaders planned for the next three months. They will culminate in the seven-nation economic "summit" in Bonn in mid-July.

It is hoped that in Bonn the world's major industrialised powers will endorse a package of co-ordinated measures to stimulate economic recovery.

There are strong presures on the Nine to enter the Bonn meeting united behind a common position.

But despite clear signs that growth in the EEC is faltering, they have failed so far to agree on any concerted new reflationary actions, largely because of West Germany's refusal to contemplate a boost to its economy before next month at the earliest.

Chances of resolving these differences at the Copenhagen meeting appear slim, though Mr. James Callaghan is expected to urge his colleagues to commit themselves to agreeing on the main outlines of their joint contribution to the planned recovery package by the time they next meet, in Bremen, two weeks before the Bonn "summit."

The view is growing that West Germany can be persuaded to boost its economy significantly only if currencies stabilise. Herr Helmut Schmidt, West German Chancellor, is expected strongly to emphasise the need to end the present world monetary disorder stemming from the depreciation of the dollar.

The depreciation is starting to cause acute concern among German exporters about their ability to compete on world markets.

He is likely to be strongly supported by President Valery Giscard d'Estaing.

The two leaders held private talks last week-end, at which the possibility of France returning to the "snake" is believed to have been among the issues discussed.

But it is by no means certain that the French President will be prepared to consider such a step seriously while France's economy remains fragile.

An alternative proposal, expected to command the support of some of the smaller EEC countries at least, has been advanced by Mr. Roy Jenkins, President of the European Commission.

He has suggested, in a recent letter to the nine leaders, that they should consider reviving plans for linking the "snake" more closely with other Community currencies, and for using the EEC's unit of account as a limited "parallel" currency.

At the moment, the currencies of West Germany, the Benelux countries and Denmark are floating jointly against the dollar in the "snake," while those of Britain, France, Italy and Ireland are floating freely outside it.

Mr. Jenkins appears to have in mind a scheme, already examined in various forms in the EEC, for concerted action to limit the movement of the other EEC currencies within specified margins around the "snake."

Such a proposal has in the past aroused some interest among the U.K. authorities, who are unwilling to accept the rigours which would be imposed by sterling's full membership of the "snake."

Editorial comment Page 22

Pay row halts oil platform

BY NICK GARNETT, LABOUR STAFF

CONSTRUCTION work on one of the three oil platforms in the £1.6bn. Ninian field project in the North Sea has been almost totally halted by an industrial dispute over bonus payments for craftsmen.

More than 500 men stopped work and left the Ninian Southern platform, 105 miles north-east of Shetland, earlier this week. The rest of the 1,100-man workforce are understood to be still on the platform and not in dispute.

Chevron, the operator for the oil field, third largest in terms of recoverable reserves in the North Sea's U.K. sector, is aiming to start oil production from Ninian in the autumn.

Oil company officials believe that if the dispute continues much longer the start of production might have to be postponed.

Some of the workers involved are employed by Seltrust Off-Shore, the managing contractors for the platform's final assembly. But most of them work for Wilson Walton, sub-contractors to Seltrust.

The craftsmen, welders, electricians and fitters, have been seeking a £2,000-a-man completion bonus together with a work roster involving two weeks on, two weeks off, instead of the present 20 days on, 10 off.

It is thought this could be in breach of the "hook-up" or final completion agreement the men have signed.

The dispute is believed to be the biggest so far on a North Sea oil platform. Late last year more than 100 engineers were taken off the Shell-Esso Dunlin "A" platform in a dispute over the recognition of a shop stewards committee.

The main platform, Ninian Central, is due to be floated out to the field later this year.

Peak flow rates from Ninian are expected to be between 300,000 and 400,000 barrels a day.

CONTENTS OF TO-DAY'S ISSUE

FEATURES

For latest Share Index 'phone 01-246 8026

Output of ICI workers attacked

By Kevin Done, Chemicals Correspondent

THE LABOUR productivity of Western Europe's biggest chemical manufacturers is up to 50 per cent. better than that of Imperial Chemical Industries, Britain's largest industrial group. The company has told its employees that its record is even worse if compared with big U.S. producers.

Mr. Bob Haslam, ICI main Board director with responsibility for personnel, told a meeting of the monthly-paid staff that in terms of sales value per employee ICI sold £23,000 compared with its European competitors' record of £30,000 to £35,000 per employee.

U.S. competitors were selling £35,000 to £45,000 per employee, he told members of the central business and investment committee.

In a report in an ICI staff newspaper, Mr. Haslam says that productivity of overseas chemical companies is "improving at an average rate of 6 per cent. per annum, so we are shooting at a moving target. In order to close the gap we have to aim at a 10 per cent. per annum rate of improvement."

Such a target did not represent a dramatic change from what had been achieved in the past, but the effort could not be relaxed. ICI's one continuing concern was to improve productivity to the same levels as its competitors.

Higher

But, according to chemical industry trades union officials, ICI's record is bad judged by this criterion, because its wage rates are the lowest of all the big multinational chemical companies in Europe and the rest of the world.

Mr. Roger Ward, a national negotiator for the Association of Scientific, Technical and Managerial Staffs, said last night: "If ICI paid more, and paid as much as its international competitors, it would get higher productivity. We are offering them higher productivity, but they are turning it down, because they refuse to enter talks on planning agreements with the unions as part of the industrial strategy."

Mr. David Warburton, national chemicals officer of the General and Municipal Workers' Union, said: "If you just take this one comparison it looks a bit sick, but you must take other factors into account. West German chemical companies are complaining about unfair competition from ICI because its labour costs are so low."

U.K. chemical output Page 8

SUITS 'no' to offer from Lonrho

BY ANDREW TAYLOR

THE BOARD of Scottish Universal Investments last night rejected by a single vote a takeover approach worth £41m. from Lonrho, the international trading company headed by Mr. Tiny Rowland.

Sir Hugh Fraser: voted in favour

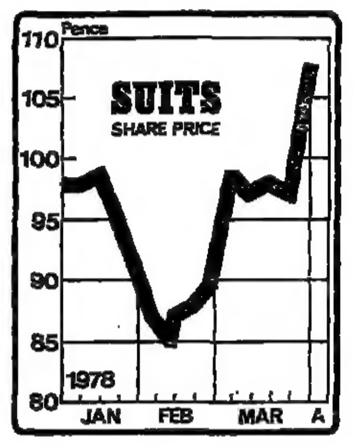
Sir Hugh Fraser, former chairman and now vice-chairman of SUITS, voted in favour of the deal.

The Board was split three to two over Lonrho's offer, with Sir Hugh—who last year faced sharp criticism from the City and institutional investors over the sale of his 24 per cent. stake in SUITS to Lonrho—supported by Mr. James Gossman, an executive director of the group.

Mr. Rowland, who became chairman of SUITS with the purchase of Lonrho's holding from Sir Hugh Fraser in March last year and two other Lonrho directors who joined the board at the same time were absent from yesterday's Board meeting, which sat in discussion for eight hours.

The members of the Board rejecting the offer, including Mr. Hugh Laughland who was appointed chief executive 14 months ago, were supported by SUITS financial advisers, merchant bankers Charterhouse Japhet and stock brokers Grieveson Grant. Lonrho said it would not proceed with a bid unless the SUITS Board agreed.

Lonrho, which already has a holding of 29.24 per cent. in the whisky-to-newspapers group, is bidding 11 of its own shares for every six SUITS' shares, which were suspended yesterday at 107p. The offer values SUITS shares at 132p each, on the basis of last night's Lonrho price of 72p.



Charterhouse Japhet said last night there had been no Boardroom row. The bid had been rejected because it undervalued the group and because no cash alternative had been offered.

Lonrho said there would be no comment until the Board had the opportunity to consider the rejection.

SUITS owns the Glasgow Herald and Glasgow Evening Times newspapers and a string of Scottish weekly papers as well as whisky interests under the Whyte and Mackay subsidiaries and just over 10 per cent. of House of Fraser.

The rejection marks the latest development in a chequered relationship between SUITS and Sir Hugh Fraser and Lonrho. Last year the group's previous merchant bankers, Robert Fleming, resigned in protest at Sir Hugh's sale of his 24 per cent. stake for £7m.—or 95p a share. It had advised against the sale. At the time some institutional investors considered the sale prevented a possible bid for the whole group.

Sir Hugh and five other businessmen, including Mr. Gossman, face charges under the Companies Act involving more than £4m. in connection with entries in SUITS 1975 annual accounts. All are charged that at the SUITS' annual meeting in September, 1975, they put forward a balance-sheet which did not give a fair and true view of the affairs of their company.

A successful bid for SUITS would increase Lonrho's 19.38 per cent. stake in House of Fraser to more than 29 per cent.—just below the 30 per cent. level at which it would have to make a full takeover bid for House of Fraser under City Takeover Panel rules.

SUITS will apply to have its shares restored to the Stock Exchange listing before dealings begin to-day.

Lex Back Page

£ in New York

	April 5	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

Prime Minister Barre divides the Finance Ministry to make it easier to rule

BY DAVID CURRY

PARIS, April 6.

THE PRE-EMINENCE in power and prestige of the bureaucracy is a fact of life in France. And the most influential of the bureaucracies is the Ministry of Finance — an administration which is referred to as "a state within a state," and frequently less politely.

The decision of President Giscard d'Estaing and M. Raymond Barre, the Prime Minister, to divide the Ministry of Finance is, therefore, dramatic because the creation of two successor ministries—Economic Affairs and Budget—implies that the long reign of Finance is over.

Yet it is also very limited because the intention is quite clearly not to create ministries significantly less influential than the old Finance Ministry.

The key is M. Barre himself. The Prime Minister has made it clear that he remains the overall economic supremo, and the President has repeated that the economic recovery programme remains a priority.

But M. Barre could not continue to combine the job of Prime Minister with that of Finance Minister in a government which had the task of broadening its horizons beyond the primarily pre-electoral economic task of his first two administrations.

What he has done, in business terms, is to introduce a new company structure. The Finance Ministry had, in fact, become a new holding company with its headquarters at his residence, the Hotel Matignon. Its operating functions have been assumed by two subsidiaries—Economy and Budget—under competent managing directors, who are both experts in the details of budgetary and financial affairs but who will not challenge M. Barre's right to set overall strategy.

M. René Monory, who goes to Economy, is a burly 56-year-old who joined the Government a year ago as Industry Minister. A manager himself with a modest agricultural machinery business, he learned the small print of fiscal affairs at the Senate Finance Commission. It was assumed at teh time that this unknown who possessed solid good sense and a marked lack of enthusiasm for government schemes of large-scale sectoral restructuring had been brought in to reassure employers—particularly small businessmen and the self-employed.

M. Monory carried out this mandate briskly. While the grandiose schemes of industrial engineering remained by and large in his pending tray, small businessmen and tradesmen benefitted from a range of improved fiscal, pension and financial measures, while he had emphasised the need to decoke the channels of industrial finance.

In short, M. Monory may be well-placed to persuade industry that the Government understands its need for the restoration of profitability and price freedoms, while going more slowly in this direction than industry would like.

Th enew Budget Minister gets his first portfolio at the age of 67. M. Maurice Papon has been close to the centre of power under three Republics. Up to the Second World War, he was a senior civil servant in a number of ministerial Cabinets. Post-war, he embarked upon a career as a Prefect, which notably saw him in service in Algeria, before, he became the Prefect of Police for Paris in 1958.

In that capacity, he had responsibility for law and order during the disturbances of the de Gaulle take-over and the Algerian emergency and the subsequent Ben Barka affair. He became a Gaullist M. in 1967, took charge of Gaullist fund-raising, spent five years on the party Central Committee, and in 1972 took over the chairmanshij of the National Assembly's Finance Commission—with M. Monory, his opposite number in the Senate.

M. Barre's general supervision of the economy was not an innovation — M. Jacques Chirac, M. Chaban-Delmas, and M. Pompidou all had a similar brief, but they all had to contend with Finance Ministers who wielded the full influence their enormous administration gave them.

M. Barre has made sure that he will not have that problem. But his Cabinet colleagues may well fell that they wil be freer to innovate policies within their own ministries without the heavy shadow of Finance looming over them.

On a purely symbolic level, the division of the Ministry can be interpreted as an attempt to lighten the weight of bureaucracy on the country, in accordance with Presidential promises.

SOVIET FREIGHT RATES

Community may act on undercutting

BY MARGARET VAN HATTEM

BRUSSELS, April 6.

THE EEC COMMISSION, alarmed by the growing Soviet domination of international shipping, has proposed co-ordinated action by member states in an attempt to counter heavy undercutting of freight rates by the Russians in third country trade.

Proposed sanctions would include limits on the amount of cargo carried to and from the Community ports in Comecon vessels.

The Commission to-day accused the Soviet Union of "aggressive non-commercial behaviour," particularly in third country trade, against which Community shipowners cannot compete.

Commission officials suggest it is able to do this partly because of the virtual monopoly it enjoys in bilateral trade with the EEC. By insisting that most Soviet-EEC trade be allocated to Soviet ships, the USSR has captured 95 per cent. of the shipping and hence is under no pressure to keep its rates low in Europe.

State-trading (Communist) cargo liners, which operate outside the liner conferences and are therefore not bound by their minimum rates, have already captured 18 per cent. of east-bound and 22 per cent. of west-bound traffic in the North Atlantic, the Commission says.

Between Northern Europe and the West coast of South America, they account for about 25 per cent. of traffic, 20 per cent. between the Gulf of Mexico and the Mediterranean, 20 per cent. of Europe-East Africa trade, and 12 per cent. between Japan and the U.S. West Coast.

Though these percentages are far lower than in bilateral EEC-Soviet trade, the volumes carried are much higher.

Mindful of the Community's chronically under-utilised cargo liners and idle shipyards, the Commission has proposed setting up co-ordinated Community monitoring procedures to follow the activities of liner operators of state-trading countries using EEC ports. Should these operators be found to be operating on non-competitive terms, the Council of Ministers would be able to take counter action, such as limiting cargo quantities loaded or unloaded in EEC ports.

Although several member states already have individual legislation providing for such action, the Commission feels action at Community level is needed to overcome competition between different EEC ports which the USSR has, up till now, been able to exploit.

The proposals will go before the Council of Transport Ministers on June 12.

Italy 'not opposed' to EEC entry by Greece

Mr. Constantine Karamanlis, the Greek Prime Minister, said yesterday he had found no opposition from the Italian Government to Greek membership of the EEC, writes Paul Betts in Rome. The statement followed talks with Sig. Giulio Andreotti, the Italian Prime Minister. Mr. Karamanlis is on a 24-hour working visit to Rome as part of a broader European tour to seek support for Greek membership of the EEC.

Greece is currently hoping to obtain full EEC membership by 1980. But while Italy at present feels that enlargement could help reduce substantially the imbalances in respect of the northern block of EEC member states, it is also concerned about the possible threat these new Mediterranean countries could pose to its economy, in particular the agriculture of Italy's south.

Socialist chief re-elected

The Italian Socialist Party's central committee yesterday re-elected its moderate leader, Sig. Bettino Craxi, as party secretary, Reuter reports from Rome. Sig. Craxi has supported moves to brin gthe Community Party into a new emergency government and to share responsibility for unpopular austerity policies, but has criticised the Communists for failing to reject the policies of their comrades in Eastern Europe.

Bombings in Rome

At least five bombs exploded in Rome early yesterday, damaging a city centre branch of the Bank of Italy and a suburban car showroom, Reuter reports. Other bombs blasted apart three parked cars.

N. Sea workers' tax

British offshore oil and gas operators working in the Norwegian sector of the North Sea continental shelf will become liable to Norwegian taxes under an agreement between the two Governments. Their British employees will be similarly affected. Britain will have reciprocal rights regarding Norwegians operating or working in the British sector.

Portuguese strike

Portuguese civil servants struck for the second time in a month yesterday over pay grievances but called off threatened demonstrations outside Parliament during a budget debate, Reuter reports from Lisbon. A spokesman for 23 civil service unions, representing 300,000 workers, said the demonstration had been cancelled because of an official ban and to avoid clashes with police. Portugal's 100,000 teachers decided against joining in the nation-vide strike called by the civil servants.

Brezhnev tour

Soviet President Leonid Brezhnev, who has toured Siberia by train for the past ten days, arrived in the Far Eastern port of Vladivostock yesterday, according to agency reports from Moscow.

Portuguese industry warns on deflation

BY JIMMY BURNS

LISBON, April 6.

THE CONFEDERATION of Portuguese Industry (CIP) has warned the Government that its deflationary policies will result in increased inflation and unemployment and not necessarily in a reduction in the current annual trade deficit provisionally estimated at $2.5bn.

In a brief document made available on the first day of parliamentary debate on the budget and general economic plan for 1978, CIP states that the proposed reduction in the current trade deficit "implies an exaggerated reduction in imports—6 per cent. in real terms—which is incompatible with the growth that is expected in exports and investments."

The restriction of credit included in the Government's policies, the document adds, will threaten the survival of many companies, which will make a rise in the level of unemployment almost certain.

The Confederation, which represents 36,000 private companies (many of which are small) and accounts for more than 85 per cent. of Portuguese exports, seriously questions the sincerity of the present Government's promise that the private sector is about to become the main stimulus of the economy.

In a thinly veiled reference to the large nationalised petrochemical complex of Fine Sines, the document urges the Government to abandon "those ambitious and potentially ruinous projects in which the public sector is involved," and to give clear unequivocal rules for the re-launching of the private sector in the Portuguese economy.

Meanwhile, this afternoon, Dr. Victor Constancio, the Minister of Finance, opened the debate on the Budget and Government plan, and admitted that differences between the Government and the International Monetary Fund over the level of increase in the bank lending rate were still persisting.

Composition of Cabinet shows limits for Giscard

By Robert Mauthner

PARIS, April 6

THE COMPOSITION of the n[ew] French Cabinet, formed yest[er]day, clearly reflects the lim[its] to President Giscard d'Estain[g's] much-publicised policy [of] achieving a greater political c[on]sensus through a more broa[dly] based Government.

Faced with the unwillingn[ess] of the Gaullist Party, still [the] largest group in the Natio[nal] Assembly, to co-operate with [the] left-wing opposition groups [and] the Socialists' determination [to] remain in opposition, the Pr[esi]dent has been obliged to re[sort] to very much the same mixt[ure] as before.

The obstacles to the Pr[esi]dent's policy of "ouvertu[re]" have been as much economic [as] political. Having decided [to] persevere with Prime Mini[ster] Raymond Barre's econo[mic] stabilisation policies, hotly [con]tested by even the [most] moderate members of the o[ppo]sition such as the Left-W[ing] Radicals, M. Giscard d'Esta[ing] automatically restricted [the] range of his choice of Minis[ters].

In the event, the Presi[dent] and Prime Minister have ess[enti]ally stuck to the old team, to mark their appreciation [of] its loyalty and effectiveness [and] because it won the voters' c[onfi]dence in the General Ele[ction] last month.

Though the new Cabinet [is] predictably dominated by P[resi]dent Giscard's own support[ers]—ten of the Ministers, inclu[ding] M. Barre, belong to the rec[ently] formed Union for French D[emo]cracy (UDF) and four o[thers] to the so-called "Preside[nt's] majority" — the Gaullists [are] well represented.

With seven Ministers, [com]pared with four in the [last] Administration, they hold [a] third of the main Minis[terial] portfolios. But the bare fi[gures] are misleading because mo[st of] the Gaullist Ministers are [not] enthusiastic supporters of [the] Party leader, M. Jacques C[hirac] and will not necessarily f[ollow] the Party line.

Moreover, the Gaullist Party recently amended [its] statutes to bar members o[f the] Government from holding office in the Party's r[uling] bodies, a move intende[d to] ensure the RPR's freedo[m of] action. M. Chirac has al[so] made it clear that the RPR [will] support the Government's [poli]cies only when these corre[spond] with the Party's own polic[ies].

Europe house finance plan

BY OUR FOREIGN STAFF

EARLY IN 1979 the EEC Commission hopes to present a proposal to create a Europe-wide housing finance market, Mr. Christopher Tugendhat, the Commissioner responsible for financial institutions, said in London yesterday. He was speaking at a U.K. Building Societies lunch.

Mr. Tugendhat said the legislation, which should be short and simple, was needed to meet the specific problems in regulating cross-border lending for housing. These, he admitted, were not covered by the banking co-ordination directive that the EEC Council of Ministers passed last December.

Technical problems included a common definition of housing finance institutions

French military advisers sent to reinforce Chad

BY DAVID WHITE

PARIS, April 6.

FRANCE HAS been reinforcing its military presence in the African Republic of Chad over the last few weeks following territorial gains by anti-government forces in the north of the country.

It was confirmed here that France now has olmost double its original contingent of 310 military advisers, who were sent to Chad under a 1976 bilateral defence pact.

The agreement was made between Gen. Felix Malloum, head of the regime which overthrew President Tombalbaye in April 1975 and the then French Prime Minister, M. Jacques Chirac.

The Defence Ministry here denied France had any combat troops in Chad, following a Press report this morning which claimed that the equivalent of a battalion of French troops was now deployed there.

Observers here, however, believe the accord is as fragile as the one signed a few weeks earlier between Gen. Malloum and one of the rebel leaders, M. Hissene Habre.

Prolonged fighting in northern Chad appears to have given rebel forces control of the region around Faya-Largeau, a strategic air base. In January, Frolinat forces claimed to have shot down a transport aircraft, killing three French air force personnel.

Rebels als captured a young Frenchman and a Swiss who were on a hitch-hiking tour through Africa. Tehir capture came a year after the release of Madame Francoise Claustre, a French archeologist who was held by Frolinat for 33 months.

Some 200 extra personnel, mostly paratroopers, have however, been sent out to help the increasingly vulnerable government forces. The men are engaged in training Chad's army and supervising the use of French weapons and aircraft.

Le Monde newspaper said that about 100 men had been sent to the capital N'djamena and a further 50 to the town of Abeche near the Sudan border.

President Malloum was reported to be in the Sudanese capital Khartoum to-day for further discussions on peace efforts. The Libyan Government, which supports the fragmented rebel movement Frolinat, announced last month that a cease-fire accord had been reached after talks in Libyan territory between the Chad government, Frolinat, Libya, Sudan and Niger.

Long way to go in Dutch wage round

By Charles Batchelor

AMSTERDAM, April 6.

MORE THAN 1m of the 1.6m. Dutch workers engaged in negotiations fo ra 1978 wage contract have still not settled after more than four months of talks.

The groups which have not yet reached agreement include 450,000 metal workers, 70,000 textile and clothing workers and 30,000 employees at Unilever and the steel manufacturer Hoogovens.

Provisional agreement on a contract for 65,000 workers at the Philips electrical group was reached after an 18-hour negoiating session earlier this week.

In a strong criticism of some of the unions, the larrest emplovers' federation, the VNO, said the major obstacle ot agreement lay with the industrial unions. Negotiations have gone much more smoothly with the construction, foodstuffs, transport and service industry unions, it said.

Suarez appeals for a political truce

BY OUR OWN CORRESPONDENT

MADRID, April 6.

IN HIS FIRST speech to the Spanish Parliament this year, Sr. Adolfo Suarez, the Prime Minister, appealed to all political parties to put aside party politics until after the new democratic constitution was approved. He said the constitution, which replaces Franco's laws, must be given first priority and that, during this present transition period, consensus policies must be continued.

A failure to do this would throw into danger the consolidation of the democratic process, he said.

Recently the Left, mainly the Socialists, has started to criticise the Government more strongly. Last month the Socialists withdrew from the inter-party committee responsible for drafting the constitution over certain clauses. However, they withdrew, knowing that the constitution was almost finished. The draft is due to go before Parliament shortly.

In his 70-minute speech to the Congress, which was warmly received by his ruling Centre Party but not by the other parties, the Prime Minister glossed over most of the points on which the Opposition has attacked him.

Indeed, the very reason for the speech was hardly touched on. The Prime Minister was called on to speak to the Congress after the explanation, given in March, by the deputy Prime Minister, Sr. Fernando Abril Martorell, over the reasons for the Government change was rejected by a majority vote.

The Prime Minister limited himself to saying that he had changed the Government because his former Economics Minister, Prof. Enrique Fuentes Quintana, had resigned. But he did not say why he had found it necessary to change four other Economic Ministers at the same time.

The Prime Minister said his new Government meant that the Moncloa Pact with the parties would be even more scrupulously adhered to. The Left claims that the Government is backing down on some points like taxation.

After the constitution was approved a more normal political life would begin, he said, but until then he asked for patience.

Sea talks move

A procedural deadlock which has blocked all work on substantive issues in the third United Nations Conference on the Law of the Sea, was overcome on Thursday, David Egli writes from Geneva.

A vote narrowly confirmed Mr. Hamilton Shirley Amerasinghe of Sri Lanka as Conference chairman despite the contention, essentially from Latin American countries, that he could no longer fulfil this function as he was no longer a member of the Sri Lanka delegation.

Turkey, U.S. on the way to reconciliation

BY METIN MUNIR

ANKARA, April 6.

PRESIDENT Jimmy Carter's decision to repeal the embargo on arms supplies to Turkey may, if passed by Congress, open the way to normalising Turkish-U.S. relations and reinforce Ankara's ties with the Western alliance.

The *compromise formula* concocted by Mr. Carter may seem reasonable to all the parties concerned except the Greeks to whom no formula which will increase the *combat capacity of* the Turkish army can sound reasonable.

The U.S. President has scrapped the four-year, $1bn. Turkish-U.S. Defence Co-operation Agreement (DCA) which was signed in March, 1976, but not ratified by either side. The agreement was objectionable to many U.S. Congressmen for two reasons: It implicitly tied the $1bn. to the reopening of U.S. bases in Turkey. Secondly, the DCA entailed a long term financial commitment and would have deprived Congress of a hold on the purse-strings for four years. Many legislators who were opposed *to the embargo would* have voted against the DCA because of these two points.

Under the new formula, Turkey would receive $175m. worth of military credits in fiscal 1979, which is the same as it is getting now. It would also get a token $50m. of economic aid. Cyprus would get $5m. in aid to refugees. Greece is being offered $140m. of military credits and $40m. in economic aid. The package is apparently intended to show that Mr. Carter is *making an even-handed* approach to all the parties concerned.

This will not prevent the Greeks, particularly Greek Cypriots, from protesting. But it appears unlikely that they will muster enough strength in Congress to keep the embargo intact. There is growing awareness generally in the U.S. and especially in Congress that the embargo has been counterproductive. It has not helped towards a settlement on the Cyprus problem it has undermined Turkey's ties *with the U.S.*

Many Congressmen who voted for the embargo, to punish Turkey for invading Cyprus in 1974, may now vote to remove it because Mr. Carter's *formula* retains the right to reimpose it should if necessary. In addition, there is nothing to stop them withholding authorisation of the anual military credits to Ankara if they are dissatisfied with Turkey's involvement in Cyprus.

For Mr. Ecevit, the repeal of the ban would be a major and much-needed coup. In the three months he has been in power he has been obliged to take many unpopular measures in order to put the economy in order and *would welcome anything he could* present as a victory. Mr. Carter's deal does not require a contractual quid pro quo from him (unlike the DCA). The aid does not depend on either Turkish attitudes to Cyprus or the reopening of the 26 U.S. bases in Turkey, which have been closed since July 1975.

Thus, for Mr. Ecevit, the connection between U.S. military aid and Cyprus would be effectively severed, permitting him to act more freely on Cyprus and in his relations with Greece.

Mr. Constantine Karamanlis, the Greek Prime Minister, will not be pleased when the embargo is lifted. He has already come under strong attack from the main opposition party leader, Mr. Andreas Papandreou, and may expect strong anti-U.S. agitation in the coming days. Mr. Karamanlis must have known that the embargo could not remain in effect indefinitely. Even so, opposition at home may make it difficult for him to continue his reconciliation with Mr. Ecevit, which started in Montreux last month.

President Spyros Kyprianou and the Greek Cypriots will be the ones most angered by Mr. Carter's new move. They are about to lose what was the only practical pressure on Turkey to get out of Cyprus. The U.S. Ambassador in Nicosia was assassinated after the war and heavy security precautions have now been taken in Nicosia to prevent any new outbreak of violence against the U.S. embassy.

It is not clear from Mr. Carter's new deal of what will become of the 26 U.S. bases in Turkey. U.S. diplomats in Ankara have indicated that it will help Mr. Carter's battle in Congress if the Turkish leaders were to announce that there would be no problem about reoccupation once the embargo was lifted.

Mr. Ecevit, worried about the reaction of his Party's Left-wing faction, has merely said that the question of the bases would come up only after "a positive result emerges from Congress."

With no defence agreement between the two sides, the bases are effectively devoid of any legal status. Diplomatic sources in Ankara have been saying since 1975 that the bases have become, or are becoming, obsolete with developments in satellite espionage.

Others claim that some, if not all, of the bases (Sinop on the Black Sea and Pirinclik in the East, for instance) are of vital importance to the West's defecnes. If, as is more likely, the latter is the case, Mr. Ecevit will come under conflicting pressures from the Pentagon to reopen them quickly, and from the Left-wing faction of his Party to keep them shut.

He will also undoubtedly come under fire from the Soviet Union which he will visit this summer. The Soviets may tell him that they will stop their generous economic assistance programme if the U.S. bases are reopened.

For the sake of his much sought-after detente with Greece he cannot afford to gloat over the end of the embargo. Even if the physical ties between the Cyprus problem and the embargo will have been cut, he will be under even greater moral *pressure to bring peace to* Cyprus to which he brought war in 1974. The Cyprus problem is like a dark cloud overshadowing not only relations with the U.S. and Greece but all of Turkey's foreign affairs. Mr. Ecevit cannot move to new destinations in foreign policy without getting rid of Cyprus.

But nothing, it would seem, would induce Mr. Ecevit to return to the blind trust that his predecessors put in the U.S. and NATO for Turkey's defence. He has said repeatedly that he will formulate a new national defence policy and diversify Turkish foreign policy to create an atmosphere of mutual confidence with its neighbours.

"Turkey can never accept that *its place and value in the alliance* be treated as a military outpost gations it undertakes and that it be treated as a military outpuost of the West," said Mr. Ecevit recently.

"We will review the strategy and concepts of our national defence in line with the multi-dimensional threats in our region."

Cyprus economic revival a 'mini-miracle'

BY OUR CORRESPONDENT IN NICOSIA

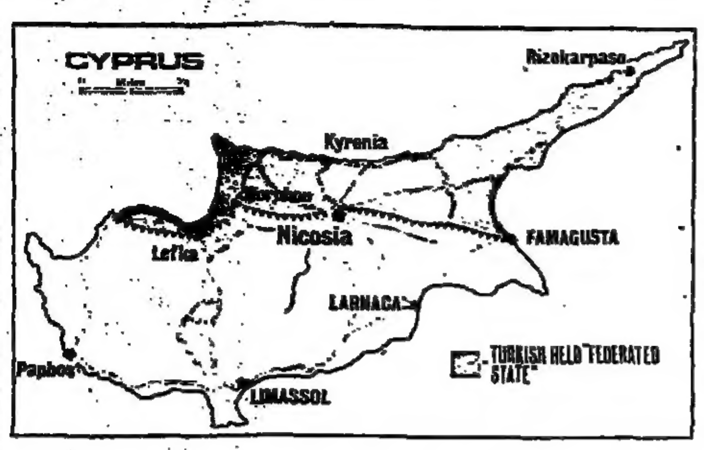
THE 1974 CYPRUS war left the island's economy in ruins. Construction work came to a standstill and Cypriot labour travelled abroad to find work. But the economic tide appears to be turning and the building boom is underway again in the Greek part of the island.

Housing projects have been started to cope with the thousands of refugees, modern apartment blocks are going up in Nicosia and new factories are under construction.

THE BUILDING boom is on *again* in the Greek sector of this divided island: not only are housing projects going up for the *thousands* of refugees, but modern apartment blocks in Nicosia and other towns, new hotels around the resort areas, and new factories in industrial estates *as* well.

Three years ago, in the wake of the 1974 war, construction work came to a complete standstill, and Cypriot labour emigrated abroad in search of work. Now the construction industry and manufacturing sector are facing sever manpower shortages.

At the end of 1974, unemployment among Greek Cypriots *reached 25 per cent. Now it is* almost non-existent (officially it is about 2 per cent. and still going down), in spite of the huge influx of 200,000 jobless refugees who had to flee to the south at the time of the Turkish invasion.



The export trade has reached unprecedented levels, and inflation has remained one of the lowest in the world. At the same time a new airport and new sea *ports have been built,* the island has developed one of the best communications systems in the world, and the tourists have begun pouring back.

The rapid economic development was achieved through hard work by the people, good planning and management on the part of the Government, and generous aid from overseas.

Some external factors also helped, such as the high prices paid on the international market for Cypriot potatoes and other agricultural products, and the civil war in Lebanon, which brought thousands of visitors to the south of the island and helped the export drive to Arab countries.

Immediately after the Turkish *invasion,* the Government launched its first emergency economic action plan (1975-76) which aimed, through labour intensive projects, to absorb the unemployed refugees, reactivate the stagnant economy and boost exports. It was termed a *complete success.*

The Government followed an expansionary fiscal and monetary policy to stimulate the private sector, while displaced farmers and animal breeders, who had lost everything in the north, were given loans, subsidies, machinery and fertilisers by the Government to help them back on their feet.

Between 1975 and 1976 there was a growth rate of about 15 per cent. Total exports in 1975 reached pre-war levels, while in 1976 they went up by almost 90 per cent.

Foreign exchange reserves, which stood at 112m. Cyprus pounds in 1973, dropped to C£89m. in 1975, then rose to C£128m. in 1976. At the end of 1977 they stood at around C£135m., enough to cover six months of imports comfortably.

The Government later prepared a second emergency action *plan (for the years 1977-78)* and set a target of growth of 8.5 per cent. per year. This was easily exceeded, and it is estimated that a 12 per cent. growth rate of the GDP at constant 1973 prices was achieved last year.

Inflation has been kept at a low rate all this time—4.6 per cent. in 1975, 3.8 per cent. in 1976 and 7.2 per cent. last year.

The Finance Minister, Mr. Andreas Patsalides, says: "There *has been creditable economic* revival, but this has been facilitated to a large extent by a series of external factors and by external aid." The assistance has been coming mainly from the United States (through the U.N. High Commissioner for Refugees) and Greece.

Dr. Iacovos Aristidou, head of the planning bureau which has *the main responsibility for working* out the economic programmes, explained: "The reactivation of the economy and *recovery of part of the national* income should not be seen in a normal sense of development. We must *not forget* there is continuous need to replace, from current income, the tremendous losses of fixed assets cut off in *the occupied area.* In essence we are replacing lost assets (hotels, factories, farms) which were not even insured."

He stressed that the Greek south was now left with only "limited" resources, and these should be channelled first towards relieving the refugees and secondly towards placing the economy on a more sound and stable basis.

The officials stress that thousands of refugees still remain homeless. The Interior Minister, Mr. Chr. Veniamin, reported that 14,000 refugee families have been given proper accommodation so far. Another *5,000 houses are being planned* this year, while Government grants will enable some 4,000 other displaced families to build their own homes. He says even with the completion of these projects, the housing problem for refugees will remain "acute."

There is an obvious effort for "a quick approximation to the consumption levels *prevailing before the invasion." But one* of the economic planners remarks: "We would like to curb imports, but how can we tell the refugees—who had everything before the invasion and lost it—not to buy new TV sets, washing machines and cars?"

The rising import bill is indeed causing concern. Imports last year jumped by 43 per cent. to £C254m., while exports rose by 22 per cent. to £C129.7m. This left a trade deficit of £C124.2m. The widening of the current account deficit is also giving cause for concern and the Finance Minister has spoken of dangers leading to the overheating of the economy. A policy of more restrained development will be followed this year.

Settlement plan prepared

NICOSIA, April 6.

TURKISH-CYPRIOT proposals aimed at finding a lasting solution to the problems of Cyprus are ready for presentation to United Nations Secretary-General Kurt Waldheim, the Turkish-Cypriot news agency Tak reported to-day.

The agency quoted Mr. Rauf Denktash, the Turkish-Cypriot leader, as saying the proposals were based on realities prevailing on the island. The Turkish-Cypriot community has been separate from the Greek-Cypriots since Turkish troops occupied 36 per cent. of the island in 1974.

Mr. Denktash was speaking last night after the final session of a series of meetings to prepare the proposals, which, according to Tak, will be delivered to Dr. Waldheim in 10 days' time.
Reuter

No gold sales currently planned by Washington

BY DAVID BELL — WASHINGTON, April 6.

THE U.S. TREASURY re-iterated to-day that the U.S. has no plans to sell any of its $50bn.-worth of gold "right now," but it noted that the administration "is continuing to re-assess the possibility of doing so" at some point in the future.

To-day's statement followed some off-the-cuff remarks last night by Mr. Anthony Solomon, the Assistant Treasury Secretary for Monetary Affairs, who told reporters that the U.S. has no plans to sell any gold at the moment. His comments came after a meeting between Mr. Michiya Matsukawa, the Japanese Deputy Finance Minister, and Mr. Michael Blumenthal, the Treasury Secretary.

Mr. Matsukawa, who was sent to Washington by Mr. Takeo Fukuda, the Japanese Prime Minister, in advance of the Japanese leader's visit here later this month, said that "no concrete decisions" were taken at the meeting. Mr. Solomon described it as "very useful in view of the whole monetary situation."

Yesterday's comments about gold coincided with the latest gold auction held by the International Monetary Fund. This was the first sale to be held after the formal ratification of the IMF's articles of agreement and some interest therefore centres on the list of successful bidders which was due to be published later to-day.

The London price of gold climbed to-day (to close at $180¼) on Mr. Solomon's comments.

Yesterday's auction by the bid price method resulted in an average price for the 424,800 ounces sold of $177.92 with successful bids ranging from $177.61 to $180.26. A total of 1,367m. bids were received and the $70.6m. raised for the IMF's trust fund for developing nations *brings its total to $1.245bn.*

Despite the official U.S. insistence that no gold shares are currently planned by the administration, there were reports this morning that the U.S. is toying with the idea of emulating the IMF and selling small amounts of gold perhaps at regular monthly auctions as the Fund does.

However it is far from clear what such sales would achieve since the amounts involved would be relatively small and would have little effect on the dollar.

Just before he left office, Dr. Arthur Burns, former chairman of the Federal Reserve, said that the U.S. should announce that it was prepared to sell all the $50bn. *of gold in its reserves as* part of a concerted scheme to stop the slide in the dollar. But many administration officials are wary of such a scheme lest it prove insufficient and leave the U.S. even more "exposed" than it feels at present.

Nevertheless, it has been U.S. policy for a long time that American gold should be sold and Mr. Solomon notes that "from time to time we do sell gold." The U.S. has sold gold formally on only two occasions, both in 1975, the year in which U.S. citizens were *permitted once again* to own gold.

Michael Blanden adds: The gold price reached a high point of $182¾ an ounce in London dealing yesterday, with demand *from* the Continent in evidence after the satisfactory result of the IMF auction. Later in the day, however, the price slipped back due *to uncertainty over* U.S. intentions, with U.S. newspaper reports that there could be sales of small amounts from the reserves bringing the price down to close at $180¼.

Smaller price index rise

BY JUREK MARTIN, U.S. EDITOR — WASHINGTON, April 6.

U.S. WHOLESALE prices rose much more modestly in March than in February, in part because the supply of food was *facilitated by better weather.*

The Producer Price Index for Finished Goods—successor to the old wholesale price index—went up by 0.6 per cent. (seasonally adjusted) last month, compared with 1.1 per cent. in February. The January rise was also 0.6 per cent.

Food prices in the month rose by 0.8 per cent., considerably below the 2.9 per cent. of February. Other goods went up by 9.5 per cent., about the average level of the last six months.

Nevertheless ,the slight improvement in the inflationary picture last month, which had also been mirrored at the consumer price level, is unlikely to relieve the pressure on the Carter administration to take new anti-inflationary measures.

President Carter, according to the White House, has promised to make a major address on inflation shortly. The most likely venue for this appears to be a conference of newspaper editors due to take place in Washington on Tuesday.

The most likely approach will probably be a series of measures aimed at specific sectors. Mr. William Miller, the new chairman of the Federal Reserve, said in an interview in the New York *Times to-day that "all government policy makers"* were agreed on this.

Mr. Miller said that there was a limit on what monetary policy alone could do in combating inflation. In his view, the Administration's programme should contain three basic elements action by the federal government to curb inflation in those areas where it had undeniable influence (such as the pay of government employees); a commitment to hold the budget deficit in the next fiscal *year, beginning in October*, at no more than $60bn.; and insistence that the private sector, through voluntary methods, play its part in controlling price increases.

Publisher Leonard Saffir breaking the news to the staff of The Trib that their paper will cease publication because it was impossible to carry the expense anymore."

The Trib closes down

BY JOHN WYLES

THE DEMISE of The Trib, the New York daily newspaper which was started less than three months ago and ceased publication yesterday because of falling readership and escalating losses, surprised nobody. But it disappointed many, even among those who were not among the 140 Trib employees. A handsomely produced tabloid, its *main failing appeared to be that* it looked too little like a newspaper and too much like a daily magazine. This was probably too radical an alternative to the two morning newspapers in the city, the New York Times and the Daily News, and the afternoon tabloid the New York Post.

Hopes that these rival papers would be halted by production strikes had kept the *Trib* publishing for the past week. The owners of the newspaper had thought that The Trib would have no trouble establishing itself when the only newspaper on the streets. But the prospect of a strike at the other three newspapers has receded, and so The Trib's Board of directors decided yesterday to close the newspaper.

Mr. Leonard Saffir, editor-in-chief and publisher, said that the newspaper would have needed another $1m. to stay alive, and "close to $5m." had already been spent. He blamed the collapse on the New York business community which had failed to give The Trib the advertising it needed. In particular, he singled out the large department stores for failing to support the newspaper.

When it began publication on January 9, The Trib was printing some 250,000 copies a day at a contract works in New Jersey. Then, in the first few weeks, its circulation was bedevilled by distribution problems. During the three months of its life, The Trib's readership had fallen to about 40,000.

Mr. Saffir was the moving force behind The Trib and dominated its day-to-day affairs. Within three days of its birth, Mr. Vere Harmsworth, chairman of Associated Newspapers in Britain, showed interest in acquiring a stake in The Trib, but Mr. Saffir would not contemplate relinquishing control.

However, by January 18, Mr. Raymond Learsy, president of Agricultural Chemicals Inc., made a "substantial investment" in The Trib and became chairman of its Board. The decision to close the newspaper may well have been related to his unwillingness to put up any money.

Many of the senior editorial staff were mature or retired newspapermen with a long experience in New journalism. The editor was John Denson, aged 74, a former editor of Newsweek magazine and of the deceased New York Herald Tribune.

The paper relied heavily on news agency material and was not notably successful in bringing exclusive news. Its first page story that Mr. David Frost, the television performer, was helping Mr. Richard Nixon rewrite his memoirs became an embarrassing *cause celebre* when it was revealed by rivals that the David Frost in question was an employee of Mr. Nixon's publishers.

Record reserves in Brazil

BY DIANA SMITH — RIO DE JANEIRO, April 6.

THE BRAZILIAN Central Bank has reported that the foreign exchange reserves on December 31, 1977, totalled $7.256bn.—the highest ever.

In November 1977, foreign exchange reserves *fell to* $5.995bn., because the Brazilian government stopped the entry of loans in foreign currency, in order to reduce their effect on *the expansion of liquidity* which was occurring at the time.

The December rise of $1.26bn. in the reserves—making the year-end total 11 per cent. higher than that at the end of December, 1076—was due, the Central Bank says, to the unfreezing of foreign loans contracted by State-run enterprises, and to little amortisation of outstanding loans.

Although no figures have yet been released, there are indications that the reserves fell in the first two months of 1978 due to an upsurge of imports and *seasonal* remittances of interest, dividends and royalties by Brazil-based foreign companies to their head offices. This decrease is expected to be offset this year, however.

Mexican freed after payment

By Our Own Correspondent

MEXICO CITY, April 6.

A CASH payment of $400,000 has secured the release from prison of a former Mexican Transport Minister, Sr. Eugenio Mendez Docurro, who was arrested on March 21 and accused of embezzling that sum while in office under former President Luis Echeverria.

By paying the cheque to the Ministry, Sr. Mendez reduced the possible penalty he faces to fewer than five years in jail and made himself eligible for bail, which he has been granted.

When he emerged from prison last night, Sr. Mendez rejected any suggestion that the payment amounted to an admission of guilt. He said that he was innocent and would prove it, and that his only fault had been in failing to supervise his subordinates in the ministry.

The release of Sr. Mendez leaves two other prominent figures of the *Echeverra administration* (which ended in 1976) behind bars awaiting corruption trials. They are a former Agrarian Reform Minister, Sr. Félix Barra Garcia, accused of extorting half the compensation money that ministry was paying an expropriated farmer, and Sr. Alfredo Rios Camarena, accused of embezzling the funds of a tourist development which he headed.

Despite official denials, the arrests are widely believed here to reflect a power struggle within the long-ruling *Institutional* Revolutionary Party before its summer congress. Few Mexicans appear to believe that this Government, any more than its *predecessors*, will really try to stamp out corruption.

Canada poll date debate

BY VICTOR MACKIE — OTTAWA, April

THE CANADIAN Cabinet met yesterday to decide *the date of* the next budget and to examine possible June dates for the general election.

The latest public opinion poll shows the Liberals have increased their support by two points. The Conservatives have dropped two points and the New Democrats held their ground. The number of undecided voters has risen from 35 to 38 per cent.

All three parties are expressing optimism about their standing with the electorate. Liberals attending their regular weekly caucus emerged elated by the increase in the party's popularity shown by the latest Gallup Poll.

The Progressive Conservatives, the official opposition, following their caucus, were cautiously optimistic that the continued decline in the state of the economy and the weakening dollar would help them in the election. *New Democratic Party* members were pleased their party had held its 17 per cent. share in the poll.

Conservative leader Mr. Clark *predicted that* Mr. Trudeau will call the election on June ... or 19. He said this would f... the introduction of "the qui... budget in the history of ... Western world."

The budget expected to be delivered next week will form ... Liberal Government's econ... plank in the election.

New Bills will be introd... every day this week into ... Commons. Although there ... little hope of them being p... before Parliament is disso... the Government will have s... the public "its good intenti..." said a party spokesman.

● Mr. Jean Chretien, the Fin... Minister, told the Com... yesterday that the Cana... Government has no intentio... imposing foreign exchange ... trols.

Pressure has been mount... on the Finance Minister ... introduce such controls ... reports increasing of m... going out of Canada into ... U.S. to purchase property ...

Chile political prisoners to be pardoned

By Robert Lindley

BUENOS AIRES, April 6.

PRESIDENT Augusto Pinochet of Chile announced last night the pardoning of those sentenced for crimes against the security of the state, or the commuting of their sentences to exile abroad.

"Now no one can say that in Chile there are persons deprived of their freedom for having committed acts of a political character," he said on national radio and television. Last week, the former vice-president of the Central Bank and member of the Chilean Socialist Party, Sr. Carlos Lazo Frias, was allowed to leave Chile, his 30-year jail sentence having been commuted to a banishment of 20 years. Yesterday, Sr. *Jaime* Castillo, former leader of the dissolved Christian Democratic Party, returned to Chile from exile in Venezuela where he had lived since August, 1976, when he was expelled allegedly for carrying out political activities.

In his speech last night, Gen. Pinochet also announced that a new constitution will be drawn up by the end of this year, for the subsequent approval by the military junta, and that the final draft may be submitted to a plebiscite.

Quito bus protest

More than 300 people have been arrested after three days of violent confrontations between *police and students in* the Ecuadorean capital, Sarita Kendall reports from Quito. Students are protesting against a rise of 40 per cent., equivalent to one new penny, in the urban bus fare, and *Quito is virtually without public* transport. Speculation that the military government will put off the July presidential election has been firmly denied, and candidates are stepping up campaign activities.

U.S. COMPANY NEWS

Curtiss - Wright chairman attacks Kennecott Board, outlook at Norton, Amex results, retail sales Page 29

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $200.00 (air freight) $360.00 (air mail) per annum. Second class postage paid at New York, N.Y.

Now, from Crown Life, unit-linked life assurance.

Nearly a million people are insured with Crown Life.

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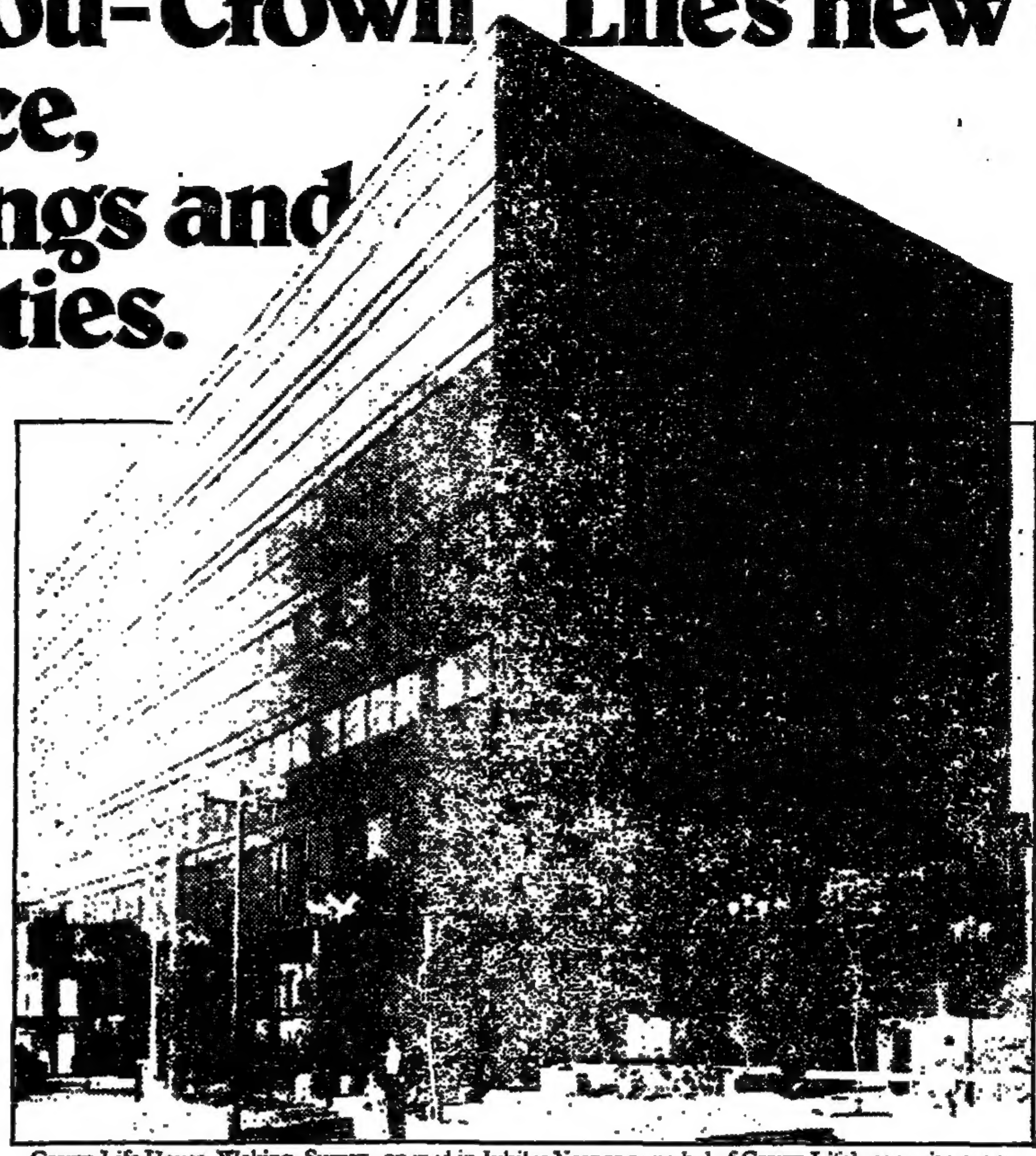


Crown Life House, Woking, Surrey – opened in Jubilee Year as a symbol of Crown Life's commitment to long-term growth in a prosperous Britain.

A major force in life assurance offers new weapons against inflation.

Crown Life was set up in Canada in 1900. Operating through over 200 branches, Crown Life today serves nearly four million policy-holders throughout the world.

Nearly a million of them are here, in the UK. In fact, almost one British household in every 18 relies on Crown Life to help protect it against the uncertainties of life.

Now Britain sees the launch of a totally new range of Crown Life financial services and plans – a series of *unit-linked* life-assurance policies, which together provide a comprehensive, flexible and thoroughly contemporary opportunity to conserve or increase net income or capital.

Why unit-linked?

Life assurance has particular relevance to British conditions. It's always been the natural way to save money – but recently it's assumed even greater importance.

Because the burden of tax has become increasingly heavy, the fact that life-assurance premiums normally qualify for tax-relief has made saving through life assurance increasingly attractive.

And even within a life-assurance company, the funds it invests are taxed advantageously, compared with the way tax is applied to other commercial operations, so that a saver through life assurance often has a double opportunity to minimise the effects of tax.

But British prosperity is subject to an even greater hazard: inflation. Only an active personal investment approach now gives the saver a real fighting chance.

With unit-linking, a direct, personal dimension is added to the professional investment element of life-assurance saving. Crown Life unit-linked life assurance allows the saver to invest his assurance premiums in stocks, shares, property and other securities through a variety of Crown Life investment funds, with advantageous tax treatment.

This combination – unit fund investment for growth in capital and income, advantageous tax treatment, and the traditional guaranteed assurance cover against emergencies – offers real long-term protection against the uncertainties of life *and* the only-too-certain effects of inflation.

Thorough, dynamic, professional – the Crown Life approach.

It's taken over two years for Crown Life to set up *this new range of financial and investment services.*

We began by researching the range of investment opportunities available, to identify those which offer the best combinations of growth and security.

The outcome is the comprehensive range of eight funds described.

The next task was to develop life-assurance policies which would allow people to invest their premiums in the most contemporary, yet secure, manner.

And finally, we've set up a separate company to deal with the specialist requirements of these special policies.

This is the Crown Life way of doing things. Three years ago, for instance, a specialist UK subsidiary, Crown Life Pensions Limited, was launched to handle Group life and pensions business. That company has been outstandingly successful. Small, specialist, dynamic, it has been able to respond very rapidly to the needs of the public and changing conditions. It has been very innovative in the devising of private pension schemes for small companies, as well as for Directors and the self-employed.

The new unit-linked company, Crown Life Assurance Company Limited, has a paid-up capital of £2m. It combines the Group's assurance and investment experience (built up since the beginning of the century) with a policy of active investment management. The Crown Life investment *fund managers are supported by* Barclays Bank Trust Company, acting as advisers on investment. Barclay Trust is carrying out continuous research into investment and economic trends in the UK and throughout the world. So two expert teams are working together to produce the best results possible for you.

Where your money works – the funds.

To develop a contemporary investment programme, it is important to be able to spread risk while taking informed decisions on the growth prospects of all types of investments.

The eight Crown Life funds offer a wide choice, and allow us to tailor plans and policies to individual requirements.

In particular, the Distribution Fund's unique investment policy matches the needs of many investors to increase net spendable income, without the necessity of drawing on capital in the fund.

Some plans allow the investor to manage his own portfolio, by switching money from fund to fund. Others allow him to leave the investment management entirely to us. He can follow the performance of chosen funds daily in the national press.

These are the funds.

The Equity Fund
This is invested in a wide range of British ordinary shares and has the aim of producing growth in capital and income in the long and medium term.

The Property Fund
Land and property are always a good long-term investment. This fund gives access to direct investment in real property and property shares. The properties will be valued regularly by independent professional valuers.

The Investment Trust Fund
By investing in Investment Trusts, the fund achieves an enormous diversification and spread of risk, and also taps the skills of investment trust managers throughout the UK.

International Fund
This fund provides the opportunity to invest in overseas shares and also to make full use of currency fluctuations.

The Fixed Interest Fund
This fund is invested in securities which pay a fixed rate of interest until a pre-stated redemption date, or until sold at the market value at the date of sale. The performance of this fund will depend upon an active policy of buying and selling fixed-interest securities by the investment managers.

The Money Fund
This is primarily a short-term home for investment in the move to another fund, and is invested in loans and interest-bearing deposits. Money Fund units are guaranteed against a fall in price.

The Distribution Fund
This is a special fund which is constructed to aim at a net annual income of 5% of the original premium (which is the maximum income allowed tax-free), and growth in the original investment. It is only available for lump-sum investments of £5,000 or more, from which the 5% tax-free income is withdrawn, leaving capital untouched and free to grow.

The Managed Fund
This fund is invested in the whole range of investment vehicles according to the view of the investment managers as to the spread of types of investment that is most suitable at any particular time. It is an ideal fund for the regular saver and aims for consistent, smooth, long-term growth in capital and income.

It is important to note that none of these funds invest in any of the other funds – the performance of each is independent of the performance of the others.

How you invest – the plans

The way your investment pays off is up to you. The four plans meet a great range of needs with a wide choice of methods. Each, of course, has tax benefits, but otherwise they're widely different.

Crown Life offers a wide choice of funds and plans, all of them representing first-class investment opportunities. The principle on which the Distribution Fund, in particular, is constructed, and the choice of Income or Accumulation Units, offers the lump-sum investor an opportunity for increasing spendable income without touching capital which is, so far as we are aware, unique.

The Protection Plan

For the family man who needs maximum assurance protection until the children leave home, and thereafter wants to accumulate capital for retirement. There is the normal tax relief on the premiums.

Method of payment
Regular monthly payment up to age 65. (Minimum £5 per month.)
Insurance content
Full cover to age 55 (amount depends on premium). Built-in protection against sickness and accident. Optional accidental death benefit, extra life benefit, mortgage protection, family income benefit.
Investment content
Premiums invested in the Managed Fund may be switched at age 55 to other funds. Good-value way of building eventual lump sum.

The Savings Plan

Designed to give maximum capital growth, without losing normal tax-relief on the premiums.

Method of payment
Regular monthly payment for 10 years or more. (Minimum £5 per month.)
Insurance content
Valuable but limited life assurance. Built-in option to increase premiums to match increased ability to save. Optional accidental death benefit, waiver of premium benefit, extra life benefit, mortgage protection, family income benefit.
Investment content
Premiums invested in the Equity Fund, the Investment Trust Fund, the Property Fund (all switchable), or the Managed Fund. If a fund other than the Managed Fund is chosen, the investment may be switched between the three funds. Good-value way of achieving a high lump sum.

The Investment Bond

This is for the investor with a lump sum of £500 or more, who requires capital growth, income or both.

Method of payment
Single premium payment of £500 or more.
Insurance content
A multiple of the bid (i.e. selling) value of units, decreasing as the investor grows older.
Investment content
The premium may be invested in any of the eight funds.

If you choose the Managed or the Distribution Fund, later switching between funds is not generally available. However, if you choose from the other six there is complete flexibility of switching between those six: choice of income or accumulation units. Income is paid from dividends on underlying assets leaving capital untouched and free to grow. Accumulation units grow by way of automatic reinvestment of net income as well as capital, and allow income to be drawn by encashment of units. Full details on application.

The Annual Premium Bond

For the hard-pressed higher-rate tax payer. A chance to protect capital from tax by investing for 10 years or more.

Method of payment
From £250 per annum upwards.
Insurance content
Valuable but limited life assurance. Optional accidental death benefit, waiver of premium benefit, extra life benefit, mortgage protection, family income benefit.
Investment content
Premiums invested in any of the funds except the Distribution Fund. Switching between funds is allowed unless you select the Managed Fund. Low charges. High investment allocation. After 10 years income can be paid from dividends on under-lying assets leaving capital untouched and free to grow.

Crown Life unit-linked life assurance: flexible, dynamic, convenient.

It's clear that an effective savings policy ought to take account of these five guidelines:

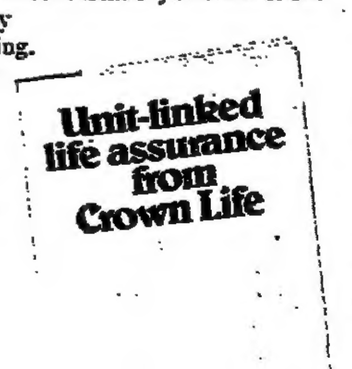
1. it should provide an opportunity for investment in real sources of growth – equities, property, and other securities without the normal high costs to the individual;
2. such investment must be professionally managed;
3. it should be *widely* spread to *minimise* risk and maximise opportunity;
4. it should make full use of any means available to obtain favourable tax treatment;
5. it should not ignore the value of guaranteed life-assurance protection.

In deciding your investment strategy, how much emphasis you place on any one guideline at the expense of the others is up to you. *But you shouldn't leave any of them out.* If you do, you're not making the most of your hard-earned savings.

Above all, it's the life assurance element which provides two important ingredients: peace of mind, with guaranteed protection; and the favourable tax treatment which gives a built-in advantage compared with other methods of investing.

Life-assurance also offers a *convenient* package. Investment in unit-linked life assurance is just as easy as taking out a life-assurance policy – which is exactly what it is. Yet unit-linked life assurance can cater for an astonishingly wide variety of individual needs, as the plans and options described on this page demonstrate.

Finally, unit-linked life assurance enables you not only to select your investment, but also to see at any time exactly how it is performing. Fund performance is published daily in the national press. You know where your money is, and you can see how hard and successfully it's working.



Join the million people looked after by Crown Life in the UK

There's one other guideline to add to the five above: choose a life-assurance company which is big and well-established, and has a first-class record.

The Crown Life Group of Companies has these qualities, and provides a combination of dynamism and responsibility.

Any investment, of course, can have its ups and downs, and unit-linked assurance is *not* for short-term investors. It is intended for people who can invest their premiums for 10 years or more. The value of units may well go down from time to time. But in the long term, professionally-managed funds of the type described have shown satisfactory growth.

Crown Life Assurance Company Limited offers professional investment management, a wide range of funds and a comprehensive range of plans to meet most protection and investment needs. If you'd like to know more about individual plans, or if you'd like a copy of our booklet, which explains Crown Life unit-linked life assurance without all the jargon normally found in insurance policies, please complete and post the coupon below.

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FT

PHILIPPINES ELECTION

The outcome is unlikely to have much effect

BY OUR MANILA CORRESPONDENT, APRIL 6

TWENTY-FIVE million Filipinos go to the polls to-morrow in an election that will give the Philippines its first legislative assembly after more than five years of one-man rule but will have little or no effect on the country's military-backed power structure.

President Ferdinand E. Marcos, who has ruled by decree single-handedly since he imposed martial law in September, 1972, will retain his firm hold on the Government whatever the composition of the interim Batasang Pambansa or National Assembly, which he will also head as presiding officer.

Already, with an almost total absence of any opposition to his New Society Movement coalition outside metropolitan Manila, Mr. Marcos is assured a big majority.

At stake in the election are 165 of the 200 Assembly seats. Mr. Marcos is to appoint a maximum of 20 delegates from his Cabinet with the remaining seats to be filled later through elections in the youth, labour and agriculture sectors.

Although Mr. Marcos does not need the formality of an election to stride into Parliament by virtue of a referendum last December and constitutional amendments in 1976, he has nevertheless been one of the most active compaigners during the 45-day campaign season which officially ended last night.

Mr. Marcos has not only been making numerous speeches, he has been releasing Government funds and giving Government employees wage increases to woo them to his side. His stakes in the election are high.

The election's focal point is the metropolitan area comprising the nation's capital, where Mr. Marcos' glamorous wife, Imelda, heads the New Society ticket against an anti-martial law opposition led by former Senator Benigno S. Aquino Jr., Mr. Marcos' most bitter political foe of long standing jailed when the 60-year-old strongman proclaimed martial law.

Mrs. Marcos' vote-getting capability, tested when Mr. Marcos first won the Presidency in 1965 and then again in his 1969 re-election, is believed to be still intact and, given present circumstances, defeat for her, which would be humiliating not only for her but also for her husband, seems unthinkable.

But equally humiliating would be victory for the 45-year-old Mr. Aquino, who topped the 1967 Senatorial elections and was widely believed to be the then opposition Liberal Party's most likely candidate in the 1973 Presidential election had it not been overtaken by martial law.

Mr. Aquino was sentenced to death last November by a military court that found him guilty of murder, subversion and illegal possession of firearms. While Mr. Marcos has ordered the trial reopened, he has however, refused to give Mr. Aquino temporary liberty to campaign, saying he was a "security risk."

Running as Lakas Ng Bayan (People's Power) or Laban, the Filipino word for fight, the opposition has campaigned for the potent sympathy vote, with Kris Aquino, the detained former Senator's six-year-old daughter, its most effective campaigner.

Philippine President Marcos, celebrating his birthday with his wife, Imelda. When the results of the election come in, the couple are expected to be celebrating victory.

Outside Manila, which is alloted 21 assembly seats, it is only in central Philippine islands where there are opposition groups who generally, however, criticise local candidates but not the martial law administration.

A common theme in both Mr. and Mrs. Marcos' speeches are accusations that the Laban candidates were not only tools of the outlawed Communist Party in a plot to seize power but also agents of foreign powers particularly the United States which Mr. Marcos has often accused of meddling in Philippine internal affairs.

Election of even just one opposition candidate, they have claimed, would be enough to plunge the Philippines into a bloody revolution, while on the other hand a complete sweep by the adminstration would mean a continuation of the so-called new society.

On the other hand, the opposition's one major issue is its incessant attacks on martial law itself and Mr. Marcos' prolonged Presidency, which has now lasted a dozen years. Under the old constitution replaced in 1973, a President could hold office for not more than two four-year terms.

Under the 1976 constitutional amendments, Mr. Marcos, who is President and Prime Minister at the same time, retains the power to issue decrees if he is not satisfied with the Assembly's work. Moreover, the amendments vest on Mr. Marcos alone the power to ratify foreign treaties.

Mr. Marcos has said he was organising the Assembly as the first step towards political normalcy. The Assembly has a life of six years but Mr. Marcos has not publicly disclosed what he intends to do during this time. There is yet no timetable for when martial law will end.

Mr. Marcos himself needs the election to convince foreign critics that he enjoys solid support at home but would still need to convince them the election will truly be free and honest.

For the last 45 days, for example, he has lifted the martial law restraints on freedom of speech and assembly. But while the opposition has made good use of this in the streets, they have not been as successful in the Government-licensed press and broadcast media.

Peking's mayor under attack

By a Special Correspondent

PEKING, April 6.

PEKING'S mayor Wu Teh has come under fresh attack in wall-posters pasted up throughout the capital.

The latest poster protest coincides with the second anniversary of the Tien An Men square riot, one of the final clashes between political moderates and radicals before the purge of the "Gang of Four" in October 1976.

Protesters here see Wu Teh as responsible for breaking up the mass demonstration and arresting hundreds of participants.

Despite his unpopularity, he recently retained his post of city mayor and, though demoted in the official ranking lists, continues as a politburo member and vice-chairman of the Standing Committee of the National Peoples' Congress.

Pasted along the main avenue in Peking, not far from the seat of Government in Chungnanhai the first poster details what it calls the "fascist suppression" of two years ago.

Written by witnesses to the Tien An Men incident, it implies criticism of Mr. Wu for claiming that the arrests were justified—even though the prisoners had opposed the "Gang of Four," whose crime was said to have been to split the ranks of the Communist Party.

Prisoners were later released on the direct orders of Chairman Hua Kuo-Feng following the purge of the Gang.

Sydney Morning Herald

Land takeover row in Australia

BY KENNETH RANDALL — CANBERRA, April

PLANS BY the Australian Federal Government to block the takeover of two Aboriginal reserves by the State Government of Queensland are being delayed by unexpected opposition in the Senate.

The Federal Government had hoped to push legislation through all stages by to-night so that a declaration could be issued to-morrow giving self-management to the Aboriginal communities at Aurukun and Mornington Island, in north Queensland.

The Aurukun Aboriginal reserve includes extensive deposits of bauxite.

The emergency legislation to block the State Government has run into difficulties in the Senate for several reasons. The Labour Party opposition wants much tougher action, specifically the grant of formal title to the reserve land to local Aborigines.

Other Senators, including from the Government ra voted to defer the Bill to either because they objected the procedures for rushing through Parliament or conside it too tough.

Meanwhile, the Oombulg Aboriginal community in remote area of the Kimbe region of Western Australia hired an American mineral ri negotiator, Mr. Steven Zorn look after its interests follow the discovery of diamonds on ancestral land.

A consortium led by Con Rio Tinto of Australia annou last week that it had fo diamonds on the land claime the Oombulgurris.

● The West German Presi Mr. Walter Scheel, will mal state visit to Australia in second half of this year. It be the first time a German of state has visited Australi

Lebanon and Syria i dispute on guerillas

BY OUR FOREIGN STAFF

A DISPUTE has broken out between Lebanon and Syria over whether the forces of the Palestinian guerillas or of Israel, which recently advanced up to the Litani river, should withdraw first from south Lebanon, the Saudi daily, al-Medinah, reported yesterday.

Saudi Arabia has two main interests in the existing circumstances in Lebanon.

Firstly, it provides to Syria much of the finance for the 30,000 Arab peace-keeping force—the majority of which come from Syria. Secondly, it is concerned that nothing should happen in south Lebanon which should make it harder for the UN forces ultimately, in conjunction with Lebanon's own embryonic army, to oversee control of the south.

Quoting Lebanese foreign ministry sources, al-Medinah said Mr. Fuad Butros, the Lebanese Foreign Minister, had a "stormy" telephone conversation with his Syrian counterpart, Mr. Abdel-Halim Khaddam, on Tuesday.

Mr. Butros called on Syria to ask the Palestinian forces to comply with United Nations conditions to evacuate south Lebanon, the paper said.

A correspondent adds from Jeddah: Saudi Arabia is playing a key role behind the scen moves led by Mr. Mahn Riyad, the Secretary-Gener the Arab League, to rally su for an Arab summit confer After a meeting with Khaled, Mr. Riyad said that Saudi Arabia and Kuwait w be members of the orga committee.

The most serious hinderan the convening of such a co ence still comes from the between the moderate states and those belonging t "steadfastness front," le Syria, who at a conferenc Tripoli last December opp any dealings with Pres Sadat after his visit to Jerus Mr. Riyad said that Jordan w have a role "of particular im ance" in its contacts with to bridge the gap betwee moderate and radical states. He added that neit date nor a venue had been for the meeting but his me of the efforts of Pres Nimairi of Sudan, who hea Arab League committee fo recently named to help co a summit, was seen as sugge that Khartoum, the Sud capital, was likely to be the controversial venue for an summit.

Death sentence urg in South Africa tri

BY QUENTIN PEEL — JOHANNESBURG, Apr

IN ONE OF THE South Africa's longest-running terrorism trials in the prosecution to-day urged the death sentence for six defendants convicted of offences under the Terrorism Act, after a further six defendants had been acquitted.

Sentence on the six will be passed to-morrow in the trial of alleged members of the banned African National Congress. They were accused of conspiring to overthrow the government with violence by furthering the aims of a banned organisation and possession of arms and explosives.

The judge, Mr. Justice Myburgh, said in his summing-up that the state had proved beyond doubt the existence of an ANC conspiracy to overthrow the government. One of the defendants, Mosima Sexwale, was found guilty of throwing a hand grenade which seriously injured two policemen near the South Africa - Swaziland border in November 1976.

Another, Naledi Tsiki, was convicted of sabotake of the railway line near Pietersburg, i Northern Transvaal.

The case began early last and has had to be re because of the death of previous trial judge.

Meanwhile, police said that the man killed in a explosion in a house in the township of Alexandra, o outskirts of Johannesburg believed to have been a t urban terrorist. A woman baby escaped the exp unhurt, although the hous wrecked.

The ruling National candidate won yesterday's mentary by-election i constituency of Springs, bu a substantially reduced ma Mr. Gellie Geldenhuys de his Progressive Federal (PFP) opponent by 1,934 v some 3,000 fewer than his ity when he stood as a pro councillor at the Nov general election. The by-e was caused by the murder former National Party can Dr. Robert Smit, shortly the general election.

Rhodesia internal deal defended by Chikerema

BY OUR OWN CORRESPONDENT — SALISBURY, Apr

MR. JAMES CHIKEREMA, deputy leader of the United African National Council headed by Bishop Muzorewa to-day denied that the guerilla forces of the Patriotic-front were a threat to the internal settlement.

In a newspaper interview, on the eve of another attempt to convene an all-party Rhodesia conference, Mr. Chikerema hit out at President Carter whom he described as "weak" and mediocre and warned that there were no grounds for making any changes to the Salisbury accord. He said the agreement fulfilled five of Britain's six principles for a settlement, while the sixth principle—the test of acceptability—would be fulfilled within the next few months.

Mr. Chikerema, who is tipped to become Minister of Transport and Mines next week said economic sanctions wer greatest threat to the rather than the Patriotic guerillas, since a "weak" dent in the U.S. favour continuation of sanctions.

Referring to the wee visit to Salisbury by the American envoys, Mr. Graham and Mr. Steven Lo Chikerema said: "There aspects of the agreement t have to amend. We ar going to change a single to please President Carte Dr. Owen."

Mr. Chikerema, who was interviewed by a nati newspaper said if the were to leave Rhodesia would be "economic chao

Other sources within an to the transitional Gove echo Mr. Chikerema's vi less stridently.

West's peace bid starts

LUSAKA, Apr

BRITISH ENVOY Mr. John Graham arrived from London to-day at the start of a fresh Western effort to end the guerrilla war in Rhodesia.

He told reports he planned talks to-day with Mr. Stephen Low, the U.S. Ambassador to Zambia, before the two men fly on to Maputo to-morrow to meet Mr. Joshua Nkomo and Mr. Robert Mugabe, co-leaders of the Patriotic Front guerrilla alliance.

The Western envoys would then fly to Salisbur Johannesburg for a p Saturday meting with Rh Premier Mr. Ian Smith a three black leaders with he has signed an internal ment.

The aim of the mission eighth Western peace sh southern Africa in a yea to set up a two-phase con reviving Anglo-American posals for an end to the s old war.

Reuter

U.K. backs new £15m. Brazil loan

The Export Credits Guarantee Department has guaranteed a 15m. loan that Morgan Grenfell, on behalf of a syndicate of banks, has made available to Aco Minas Gerais (Acominas) of Brazil. A 150m. loan was announced in January last year.

The new loan will help to finance contracts awarded by Acominas to Davy Ashmore International for further plant for the integrated iron and steel complex at Ouro Branco in Minas Gerais State.

Under existing contracts, Davy Ashmore will be responsible for the design, supply of plant and equipment, supervision of erection and commissioning for a blast furnace, coke ovens and a billet mill and co-ordination of all European supplies for the complex.

The department has also guaranteed a £5m. line of credit which National Westminster Bank has made available to the Romanian Bank for Foreign Trade. The loan will enable Romanian buyers to place orders in the U.K. for capital plant and equipment.

Shorts sales record

Short Brothers, the Belfast-based aerospace company, has finished this year's first quarter with record sales of its wide-bodied SD 330 Commuterliner. The 12 new orders since January are worth, with spares, nearly 12m. Total orders for the SD 330 are 26, including four options, and Shorts regard the market potential for 30-passenger aircraft in that category as between 800 and 1,000 worldwide in the next seven to 10 years.

Swiss to cut air fares

The Swiss Civil Aviation Authority has authorised airlines operating in Switzerland to reduce their Swiss Franc passenger tariffs by a further 4 to 17 per cent. from May 1, John Wicks writes from Zurich. The reduction, the fifth of its kind, is to counter the big differences in air fares in this currency and others resulting from the marked revaluation of the Swiss franc in the past months. On most short European routes reductions will be of 11 or 12 per cent., but 17 per cent. for Scandinavia. Transatlantic fares will be down by 14 to 15 per cent.

Fertiliser plant choice

...a Commerce of Zagreb, Yugoslavia, has selected Pullman Kellogg, of Wembley, through a Creusot Loire contract, to supply process technology, engineering design, and some procurement as well as construction and commissioning advice for a 350-tonne-a-stream-day ammonia unit. Kellogg Continental, of Amsterdam, is to supply engineering and procurement services and supply materials and equipment for a 1,500-tonne-a-stream-day urea plant. The units are part of a $850m. fertiliser complex.

Power for Nigeria

General Electric Company of the United States recently received two separate orders for gas turbines, accessories and related services valued at more than ...0m. from the National Electric Power Authority of Lagos, Nigeria.

Pan Am TriStar finance cover details undecided

BY MARGARET HUGHES

BRITAIN'S EXPORT Credits Guarantee Department (ECGD) has confirmed that it has agreed to provide credit insurance cover for the entire TriStar aircraft order placed with Lockheed by Pan American Airways—not just for the Rolls-Royce share of the contract. But the manner in which this insurance cover will be provided has yet to be decided.

The Rolls-Royce RB211 engines for the 12 TriStars ordered by Pan Am will account for £115m., less than half of the total contract value of £250m. ECGD will be providing a direct buyer credit guarantee for the financing of this part of the contract.

For the airframe part of the contract ECGD is providing only insurance cover against the insolvency or default of the buyer —Pan Am. This it undertakes under the normal insurance underwriting side of its business which operates on a self-financing basis.

Insurance cover such as this is normally for contracts undertaken by U.K. companies but is sometimes extended to cover the foreign content of the overall contract. The insurance cover being provided for the TriStar contract is unusual in that the foreign content accounts for the larger share of the contract.

It is unlikely that the British Government would have agreed to allow ECGD to provide the insurance cover for the entire contract had the Rolls-Royce engines deal not been considered to be in the national interest.

The provision of insurance cover for the entire deal is believed to have been a vital element in securing the Rolls-Royce engines contract. Also crucial was ECGD's agreement to match the financing terms for the engines side of the deal with those of Rolls-Royce' U.S. competitors.

It is understood that in doing so ECGD has had to bend the rules of the OECD Agreement on export credits for aircraft sales since the loans being offered by the competitors were understood to be for 15 years whereas the OECD Agreement stipulates that the maximum term is 10 years.

The overall arrangement is to the U.K's. advantage in that the insurance cover gives the U.K. first mortgage claim on the entire aircraft rather than the engines alone should the buyer —Pan Am—default on payment or become insolvent.

The EGCD insurance cover is also being interpreted as an advantage to Pan Am as far as its financing of the deal is concerned. But quite how this will be achieved is far from clear.

Normally the insurance cover is taken out by the supplier. In the first place this covers him against non-payment by the buyer but also helps him to raise finance from the banks by using his ECGD policy as collateral. An extension of this is the direct bank guarantees scheme which provides access to concessionary finance for which the exporter pays an additional premium.

However the ECGD scheme is generally confined to U.K. exporters and as such it would only apply to the Rolls-Royce part of the TriStar deal. ECGD is therefore faced with the problem of deciding to whom it should grant insurance cover for the rest of the contract.

It is possible that the contract could be arranged in such a way that Rolls-Royce acts as the main contractor but this seem unlikely given that it is esentially a sub-contractor in the deal. Equally it is unlikely that the British Government through ECGD would agree to provide insurance for Lockheed the main supplier, given that it is a U.S. company.

In any event neither alternative would be of any direct advantage to Pan Am which it would appear is an essential element in the deal. Neither could ECGD grant Pam Am a direct buyer credit for the airframe part of the deal since this would mean providing direct subsidised finance for a deal between two U.S. companies.

What seems most likely therefore is that some arrangement will be worked out whereby the insurance cover is granted to the U.S. banks involved in the financing of the airframe part of the contract.

This would be an unprecedented move but would presumably have the cosmetic advantage in that the British Government would not appear to be directly assisting in the financing of what would be an essentially internal U.S. deal.

Nevertheless this is precisely what it would be doing. For although it would not be providing subsidised finance as such, the insurance policy itself would provide collateral for raising finance.

Granting the cover through the banks would also mean that Pan Am could have access to the finance which it needs.

● Michael Donne, Aerospace Correspondent, adds: Exports by the U.K. aerospace industry in February amounted to £129.5m., bringing total exports for the first two months of this year to just over £270m., about £28m. more than the total for the whole of the first quarter last year. Aircraft and parts exports dominated the figures, at close to £179m., and engine exports amounted to about £71m.

Surplus for New Zealand

BY DAI HAYWARD

WELLINGTON, April 6.

NEW ZEALAND achieved its first trading surplus since 1973 with a $NZ21m. surplus of exports over imports for 1977 calendar year but still suffered a deficit in invisible transactions of an undisclosed amount. The Minister of Trade and Industry, Mr. Lance Adams-Schneider, announced the surplus to-day and gave details of increases in import licence entitlements for the July to June 1979 importing year of 7.5 per cent. for consumer goods and 12.5 per cent. for other goods in money terms. Mr. Adams-Schneider said the 1977 breakthrough to a trading surplus did not mean an end of import controls. He said the Government expected further improvement in its trading account balance for 1978-79 but this would not be maintained without increased export production and vigorous promotion.

Plessey wins £5m. order

PLESSEY Telecommunications has won a five-year contract estimated to be worth £5m. for the supply of electronic private automatic branch exchanges (PABXs) to the National Telecommunications Company (NTC) of Libya.

Among the PABXs being supplied are small business telephone systems of up to 32 lines, the Plessey K1 computer-controlled PABX of between 20 to 100 lines and the new PDX (Private Digital Exchange) up to 800 lines.

The first 36 exchanges will be supplied within the next few months and with maintenance spares and telephone instruments will amount to over £400,000 worth of equipment.

As part of the agreement, Libyan nationals will be trained in the installation, maintenance and sale of Plessey products. A team of Plessey specialists will be based at the NTC's headquarters in Tripoli for at least 12 months.

This will be the first time that Plessey Telecommunications of Beeston, Nottingham, has exported its technology along with its products.

Poland alleges protectionism

BY CHRISTOPHER BOBINSKI

WARSAW, April 6.

POLISH LIGHT Industry Deputy Minister, Wieslaw Szymczak, has criticised Western countries for protectionist policies and said the only response could be to balance trade by cutting imports.

Mr. Szymczak declined to give details of the 1977 trade figures for his ministry, which is responsible for textile, clothing and leather goods production, but assured foreign journalists that there was a deficit in trade with the hard-currency countries.

Only co-operation agreements, mainly with West Germany and worth DM20m. in 1977, were unaffected by quota restrictions, he said.

A similar alarm was sounded last month by Mr. Starzynski, trade Director of Textilimpex, the main Polish clothes and textile foreign trade organisation. "If we do not come to some kind of agreement then we will have to limit our imports," he said.

According to Mr. Starzynski his company exported goods worth $US400m. to the West last year and protectionist measures were costing them an estimated $US60m. to $US80m. more.

Textilimpex's total exports last year came to foreign currency Zlotys2.7bn. ($800m.) with 44 per cent. of those going to the Comecon countries.

The company's imports in 1977 were worth foreign currency Zlotys2.6bn. ($780m.), 33 per cent. from Comecon countries. Three-fifths were raw materials or semi-finished products, the rest finished articles.

Clothes imports from the West and Third World countries in 1977 cost $US44m. As for light industry as a whole, four-fifths of production goes to the home market and of the rest, 55 per cent. goes to Poland's Comecon partners four-fifths to the Soviet Union.

The industry is wholly dependent on imports of cotton, jute, sisal, and hemp. It imports 80 per cent. of its wool and 15 per cent. of its flax.

Plan targets for 1976 to 1980 called for a 56 per cent. growth in market supplies and a 90 per cent. export growth over the previous five-year period. But Mr. Szymczak blamed Western trade barriers when he said he doubted whether the latter figure would be achieved.

The production growth was to be achieved by a growth in productivity, as no more labour was available.

Investment policy until 1980 is to concentrate on finishing projects under construction—85 per cent. of investment funds are going on that at the moment and to modernise existing factories, which is scheduled to take up 50 per cent. of investment funds over the current five-year period.

Only a few new plants are to be built and the emphasis in future is to be on small plants employing 400 to 500 people. That contrasts with the previous five-year plan, when 70 new factories were built and 130 modernised out of the present total of 380.

Decisions have been taken and the designs are being drawn up on new mills owned jointly by Poland and the Soviet Union on the pattern set by the Friendship Mill in Zawiercie, Poland. The new ventures will be localised in Poland and the Soviet Union.

The Friendship Mill is jointly owned by Poland and East Germany and both countries provide half the raw materials

Lucas Polish licence

Lucas has entered into a licence agreement with Poland for automotive electrical equipment. The intital contract, worth more than £1m., is for alternators and switchgear for tractors and cars being made in Poland under Massey Ferguson-Perkins and Fiat licences.

Japan plans more foreign investment

TOKYO, April 6.

PROMINENT JAPANESE export industries, whose exports are affected by the sharp Yen appreciation, are increasing direct investment abroad to start or expand local production, the Finance Ministry said to-day.

The electric home appliance industry and industrial plant manufacturers are particularly active in that area and the motor industry is also beginning to move in that direction, officials said.

To encourage the trend, the ministry has simplified procedures for direct foreign investment from April 1 by requiring investors to submit prior reports to authorities instead of seeking prior approval

Direct investment overseas by Japanese companies, which declined to $1.64bn. in 1977 from $1.99bn. in 1976, is expected to increase in 1978.

Hitachi said it established a joint venture with General Electric of the United States in February to produce colour television sets and plans to establish another in Mexico soon for manufacturing large motors. Sanyo Electric said it is increasing colour television production by its U.S. subsidiary, Sanyo Manufacturing, and its Taiwan subsidiary, Taiwan Sanyo, will start producing sound equipment shortly in addition to radios and television sets.

Mitsubishi Electric is planning to establish joint ventures in Nigeria, Venezuela and Iran to manufacture heavy electric machinery. Honda Motors said it has recently become the first Japanese motorcycle maker to establish a manufacturing company in the U.S. and has leased land in Ghent, Belgium, to establish Honda Europe to procure materials and parts in Western Europe.

Mitsubishi said the 30 per cent. appreciation of the Yen against the dollar since January 1977 has reduced the cost of Japanese investments overseas in Yen terms and increased opportunities for local production and procurement of parts abroad.

Reuter

Chemical price rises catch on

BY KEVIN DONE, CHEMICALS CORRESPONDENT

INDIVIDUAL PRICE initiatives launched recently by West European chemical producers finally appear to be attracting support from rival manufacturers.

During the past 12 months, prices of many products, particularly base petrochemicals and plastics, have fallen sharply as producers sacrificed price levels in a battle for greater market shares.

Weak demand and overcapacity have helped to keep prices at levels that in many cases would not justify re-investment.

In the latest round of attempted price increases, however, Bayer, the West German chemical company, is pushing up the prices of its titanium dioxide pigments worldwide by 15 to 20 per cent.

The move follows an initiative by Montedison, the financially troubled Italian chemicals conglomerate, to raise prices at the beginning of the year. That is understood to have succeeded, particularly in Italy.

According to Bayer, prices for titanium dioxide, the pigment widely used in paints, plastics and printing inks, have fallen in the past 12 months to "entirely unsatisfactory levels as a result of competitive pressures and currency losses."

Bayer has incurred considerable losses in that area, as costs have continued to rise. It maintains that even increases of 15 to 20 per cent. will be insufficient to make production profitable again. It says it might have to cut production costs further by reducing its range of produtes.

In other moves, Union Carbide, the U.S. chemicals conglomerate, is seeking to increase prices of two of its prominent ethylene derivative products in Western Europe by 15 to 20 per cent. And Dow Chemical, also of the U.S., has followed a lead taken by CdF Chimie of France to raise prices of polystyrene.

Union Carbide wants increases for ethylene oxide and ethylene glycol, used in antifreeze and synthetic fibres. The move has been welcomed by several important producers in Europe but it is not yet clear how many will follow the initiative.

In the long term, the other avenue open to chemical producers to cope with lower prices is better, cheaper technology. Monsanto, the U.S. producer of ABS (acrylonitrile-butadiene-styrene), an important engineering thermoplastic, has announced the development of a low-cost process that should eventually give the advantages of lower capital costs with reduced energy, feedstock and labour costs.

Forecast of U.S. trade deficit adjusted

CHICAGO, April 5.

THE U.S. Assistant Commerce Secretary, Mr. Frank A. Weil, said to-day he expects the U.S. trade deficit for the early months of 1978 to be higher than in the latter months, with the full year's total reaching the 1977 level of $31bn.

He said in a statement to clarify his remarks at a Press conference here that the record February deficit of $4.5bn. "may be an aberration" and added that the deficits are likely to remain near the January level for the next few months.

At the news conference he said the deficits in the next few months were expecid to show little change from the February figure.

The size of the U.S. trade deficit, Mr. Weil said, was a very serious matter. "The dollar is in trouble, import prices are rising rapidly, inflation is gaining momentum, and protectionist pressures are mounting."

Mr. Weil said that it is increasingly evident that the U.S. should try to meet the problem of its trade deficits "head on"

"What is needed, in addition to other measures," Mr. Weil said, "is a national export policy. Such a policy is being developed by the Carter Administration."

● The International Development Association (IDA), an affiliate of the World Bank, has announced the approval of a credit of $126m. to India.

Agencies

Swedish car sales still on way down

BY JOHN WALKER

STOCKHOLM, April 6.

NEW CAR SALES in Sweden during March continued to show a decline after the downward trend of January and February. The drop during the first three months of this year amounted approximately to 30 per cent. at 44,857 units, compared with 65,449 in the same period in 1977, according to the latest report from the Swedish Association of Motor Manufacturers and Dealers.

The drop in March was about 20 per cent. compared with the same month last year, and the trade is hoping that slide will be halted now that spring is nearly here. However, another price increase in petrol is on the way this month and company cars used for private journeys will be subject to a special tax on the user.

Saab sales for the first three months totalled 6,634 cars, compared with 8,052 in the corresponding period last year, a drop in the market share from 14.7 per cent. to 12.3 per cent. Volvo sales amounted to 10,302 units, compared with 15,573 cars in the same three months in 1977.

HOME NEWS

Ford U.K. increased profits last year

Financial Times Reporter

FORD U.K. made an "encouraging increase" last year on the record profits of £122m. achieved in 1976, Mr. Terry Beckett, chairman and managing director, said yesterday.

This indication of a further improvement by Ford compares with a string of losses last year from the three other large U.K. vehicle manufacturers—British Leyland (a loss of £51.9m. after extraordinary items), Chrysler (£21.5m.) and Vauxhall (£2.2m.).

Mr. Beckett, speaking at the CBI's first regional conference in Wales, also said Ford would build the first engine in its new Bridgend plant in South Wales, in May 1980.

The first structural steel for the new factory arrived at Bridgend five days ago, and Ford plans to begin installing machines in the building by November.

Mr. Beckett said: "By 1981, it will be able to produce between 400,000 and 500,000 engines a year—about a quarter, in fact, of our total Ford requirements in Europe as a whole.

"These engines—of very latest design—will be fitted into cars built in the U.K. for domestic sales and export and will also be shipped to our other European plants for incorporation in the cars they build."

The investment at Bridgend was worth £180m., and it would bring 2,500 jobs directly to Wales. But the increase in employment would, of course, be much more.

Sir John Methven, CBI director general, referred during the conference to the growing interest among leading industrialists in the creation of a new national and independent body which would annually assess the country's economic prospects.

He said that the body's findings should be independent of the Government, the CBI and the TUC. "They would, of course, not have the force of law, but they would have the persuasive force of an independent assessment."

One idea being considered is that the body could be responsible to a Parliamentary select committee instead of a Government Department. A primary objective would be to increase public understanding of economic problems in the hope of leading to more rational pay bargaining.

Haulage plan dropped after MP's threat

BY IAN HARGREAVES AND PAUL TAYLOR

THE GOVERNMENT, faced with a revolt in the Committee stage of its Transport Bill, has dropped a controversial amendment giving British Rail wide powers to enter commercial road haulage.

Mr. John Horam, the Transport Under Secretary, withdrew the amendment yesterday. At a sitting earlier this week Mr. Peter Ellis, a Labour member sponsored by the Transport and General Workers Union which represents lorry drivers, threatened to vote against the provision.

Mr. Horam said the amendment had been framed simply to allow the Freightliners container carrying company, which the Bill transfers into British Rail ownership, to continue its existing business. This involves using road vehicles to collect and deliver containers from rail heads and for about 2 per cent. of the company's trunking operations.

The road haulage industry and the transport workers said the amendment gave the railways power to do much more than this. It did not name Freightliners or container operations at all, simply conferring on British Rail the power "where it appears expedient" to use lorries "for the carriage by road of goods of any description" and to trunk by road if necessary.

Unamended, the Bill will prevent Freightliners from meeting many of its existing commitments, although the Department of Transport's view yesterday was that the Transport Act of 1962 gave British Rail the right to own vehicles for collection and delivery work.

Mr. Horam said there would be consultations with the interested parties before the Government decided on a further, and presumably tighter, amendment.

The Road Haulage Association and Mr. Ellis expressed satisfaction last night that the amendment had fallen. Mr. Ellis said he would be prepared to support a tighter provision.

Judge asks about 'gifts to Denis Howell'

GIFTS of wine and spirits said to have been recorded as having been given to Mr. Denis Howell, Minister for Sport, before he became Minister, were referred to in an Old Bailey corruption trial yesterday.

Mr. Justice Melford Stevenson intervened as lists of Christmas gifts alleged to have been handed out by a Midland building company were put in evidence.

Mr. William Reed, city architect for Birmingham, was being taken through gift lists by Mr. Anthony Cripps, Q.C., prosecuting counsel.

Mr. Reed admitted that he himself had accepted presents at the start of his service with Birmingham Corporation. But he said he decided they were "pernicious" and made up his mind to stop taking gifts from any source.

The judge read out one entry which recorded whisky, gin and sherry having been given to a Mr. D. H. Howell, MP, in 1963.

The judge said: "Who is he?"

Mr. Reed: "He is Minister for Sport."

Reading from the Christmas gift list, the judge said presents of cigars and cigarettes also appeared against Mr. Howell's name.

Earlier Mr. Cripps had opened the prosecution case in the trial of Alan Christopher Bryant, 53, of Saintbury, near Broadway, Worcs, who denies two charges alleging conspiracy to corrupt.

The first alleges that between January 1963 and December 1973 he plotted corruptly to make gifts to officers and members of local authorities as inducements to show favour to his firm, C. Bryant and Son.

The second charges him with conspiring corruptly to make inducements and rewards to former Birmingham City architect John Alan Maudsley for favouring building projects his firm was concerned with.

Mr. Cripps told the jury: "In brief outline the case is about the chairman, managing director and directors of a Birmingham building company trying to corrupt members of local authorities by giving them Christmas gifts, and also trying and succeeding in corrupting one particular official, Mr. Maudsley, by entertaining him extensively.

"The types of entertainment were weekends in Ireland and visits to Ascot and various other matters."

Mr. Cripps said that Mr. Maudsley was the city architect in Birmingham until he was prosecuted and convicted in 1974 on charges of corruption.

During the period 1961-1973 the total value of building contracts issued by Birmingham Corporation was £267m., of which more than £91m. went to the Bryant company.

Mr. Cripps said that the jury would hear about "golfing weekends in Ireland, going over by air and being met by a couple of Mercedes, evenings at hotels and gambling parties, and trips to Dublin."

In most of the entertaining events the directors involved did not include Bryant. Although it was his policy and he fully approved, he left the execution and the details to his other directors.

The hearing was adjourned.

New London bus garage

A £4m. London Transport bus garage will be built at Westbourne Park, Paddington, London. It will have a section of motorway as part of its roof.

The new garage will house up to 110 buses. It will replace Middle Row garage, North Kensington, which is in narrow residential streets away from bus routes and has been little altered since is was built in 1910.

Post Office data plan

THE Post Office plans to start the first international packet-switched data service outside the U.S. It will operate between the U.K. and the U.S. from July 1.

Packet switching is a method of organising the switching and transmission capacity of a telephone network for maximum efficiency.

It will cater for the needs of organisations in Britain and the U.S.

Navy charters support ship

THE Royal Navy is to charter a civilian-manned diving support ship because of delays in building a replacement for the 30-year-old Reclaim.

The ship, a 3,300ton Seaforth Clansman, will be based at Aberdeen. It will enable a 20-strong naval party to work for the first time on an operational saturation diving system with a potential for dives to 300 metres.

European building societies backed

BY MICHAEL CASSELL

THE British Government should not step in the way of building societies wishing to extend their operations into Europe, Mr. Christopher Tugendhat, EEC Commissioner responsible for financial institutions, said in London yesterday.

Mr. Tugendhat said that, ultimately, housing finance institutions from other European countries could be expected to begin operations in British High Streets and that the U.K. societies ought in turn to be able to seek business in Europe.

Mr. Tugendhat, who was addressing a Building Societies Association luncheon, said he believed the societies had a vital role to play with other credit institutions in opening up a common market in financial services.

He did not envisage the creation of a European-wide housing finance market in the immediate future but he wanted to see U.K. building societies at the centre of any discussions on the subject.

He pointed out that although the Council of Ministers had adopted the Banking Co-ordination Directive, aimed at establishing the framework for a common market in all types of financial services, individual governments could exclude for up to eight years any sectors of banking which posed particular problems.

It had been suggested that building societies represented a case for exclusion. But he did not believe the problems were large enough to justify this.

European bank lends water council £31m.

Financial Times Reporter

TWO LOANS, totalling £31m. (48.3m. units of account) have been made available to the National Water Council by the European Investment Bank.

The loans are for financing water supply and sewerage schemes in the North of England.

They bring the total of funds lent by the Bank for various water supply and sewerage schemes to £220m. The first loan, of £16m., will be passed to the North-West Water Authority. The second, for £15m., will go to the Yorkshire Water Authority.

Whitehall signs participation deal with Mobil

BY RAY DAFTER, ENERGY CORRESPONDENT

THE Government and British National Oil Corporation have signed a participation agreement with partners in the Beryl oilfield in the North Sea.

The deal will provide the Government with a majority interest in oil produced from the field and other reservoirs in block 9/13a as well as from any other fields found by the Mobil group under past licence rounds.

Estimated recoverable reserves in the block amount to between 600m. and 700m. barrels. Peak production from Beryl is expected to reach 90,000 barrels a day in 1980.

The licensees are Mobil (50 per cent.); Amerada Exploration (20 per cent.); Texas Eastern (20 per cent.); and British Gas Corporation (10 per cent.). In view of the Government's equity interest through British Gas the group will have to provide only 45.5 per cent. of its total production to the corporation.

The corporation has agreed to buy this participation oil at international market prices. However, Mobil has won the right to buy back participation crude in order to safeguard its refinining and marketing interests. Texas Eastern and Amerada Hess also will have the right to buy back oil if they enter the U.K. refinery industry.

The participation deal, which also provides the corporation with a voice and specific voting rights in the Beryl operating group, is one of the last to be signed. Agreements have been concluded with 49 companies while outline agreements have been signed by another four: ICI, Murphy, Odeco and Amoco.

Licences sought

● Cluff Oil, an independent group with an interest in the Buchan Field, is seeking new exploration licences in the U.K. and overseas. If successful, Cluff will fund at least part of the programme from revenue gained from Buchan.

Licence arrangements mean that the company can expect a three-eighths per cent. share of Buchan's revenue from the start of production next year and a 1⅜ per cent. share from 1980 or 1981.

Buchan has an estimated 150m. barrels of recoverable reserves and the average production rate —at least during the early years —is expected to be 50,000 barrels a day.

North Sea oil review, Page 15

Marconi, Racal ma[...] share Saudi dea[...]

BY JOHN LLOYD

TWO U.K. electronics compa[...] —GEC's Marconi subsidiary [...] Racal—are confident of sha[...] in the military communicat[...] contract in Saudi Arabia.

Cable and Wireless, the S[...] owned telecommunications [...] pany won the contract, w[...] between £300m.-£400m. It co[...] the supply of a complete [...] munications system for the S[...] National Guard.

Marconi said yesterday [...] the company was fairly conf[...] of orders resulting from [...] contract.

The Marconi equipment [...] to be chosen would include [...] 1 kW and 10 kW transmi[...] and its tropospheric sc[...] equipment, which enable[...] signal to be transmitted [...] great distances.

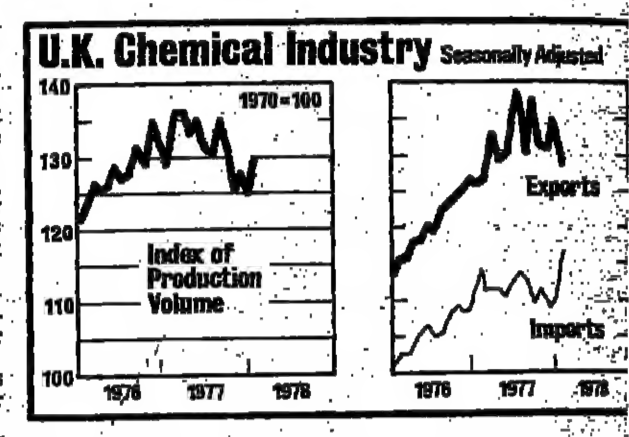
The company already is [...] of the sub-contractors in [...] £500m. contract signed last [...] between the British Air [...] Corporation and the [...] Government. It supplies [...] equipment.

It is thought that tw[...] Racal's subsidiary compan[...] Racal Tacticom and Racal [...] munications—could receive [...] orders.

Chemicals output rises 2.7%

BY KEVIN DONE, CHEMICALS CORRESPONDENT

U.K. Chemical Industry Seasonally Adjusted



CHEMICALS production rose by 2.7 per cent. last year compared with 1976. But the industry's disappointing performance fell far below expectation because it suffered from the failure of the recovery in world trade.

Because of depressed demand, production fell during the year and in the final three months was 5½ per cent. below the first quarter peak.

According to the latest forecasts from the Chemical Industries Association the outlook for the year is little better.

The growth of production is unlikely to be above 3½ per cent.

Export prospects are equally depressed. After a growth in volume of overseas sales of 14 per cent. in 1977—and a rise in value of 27 per cent.—over 1976, exports are forecast to grow at only 5 per cent. in volume this year.

This slower export growth, combined with an apparent surge in imports in the first quarter, could seriously affect the U.K.'s 1978 trading account. The association says that prospects for next year are little better.

However, the U.K. chemicals industry did perform more successfully last year than some of its main Continental rivals, including West Germany, where the stagnation of home and export demand produced no growth at all over 1976 levels.

So far this year the volume of U.K. chemicals exports has been only 1 per cent. above the level of the final quarter of 1977.

In contrast imports have continued growing steadily and in January and February were 13 per cent. above last year's final quarter level. Imports ha[...] encouraged because of [...] demand throughout Euro[...] plenty of spare c[...] coupled with the rise in [...] the association says [...] quarterly economics bul[...]

The only sectors of th[...] chemicals industry which [...] the downward trend [...] duction last year were [...] ceuticals, paints and s[...] rubber, but detailed fig[...] available only to the en[...] third quarter.

Canadian air travel talks next week

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. will seeking cheaper charter fares to and from Canada and more Canadian destinations for British Airways in Anglo-Canadian talks in London next week.

It will be the first time the two countries have discussed aviation since 1969. Among many matters outstanding is the British call for Air Canada to move from Heathrow to Gatwick.

The U.K. team will be headed by Mr. George Rogers, a deputy secretary in the Department of Trade. The Canadian team will be headed by Mr. Ralph Collins, who is responsible for all Canadian air services negotiations.

The U.K. has cordial relations with Canada on aviation matters, but they could be strained by the U.K. requests.

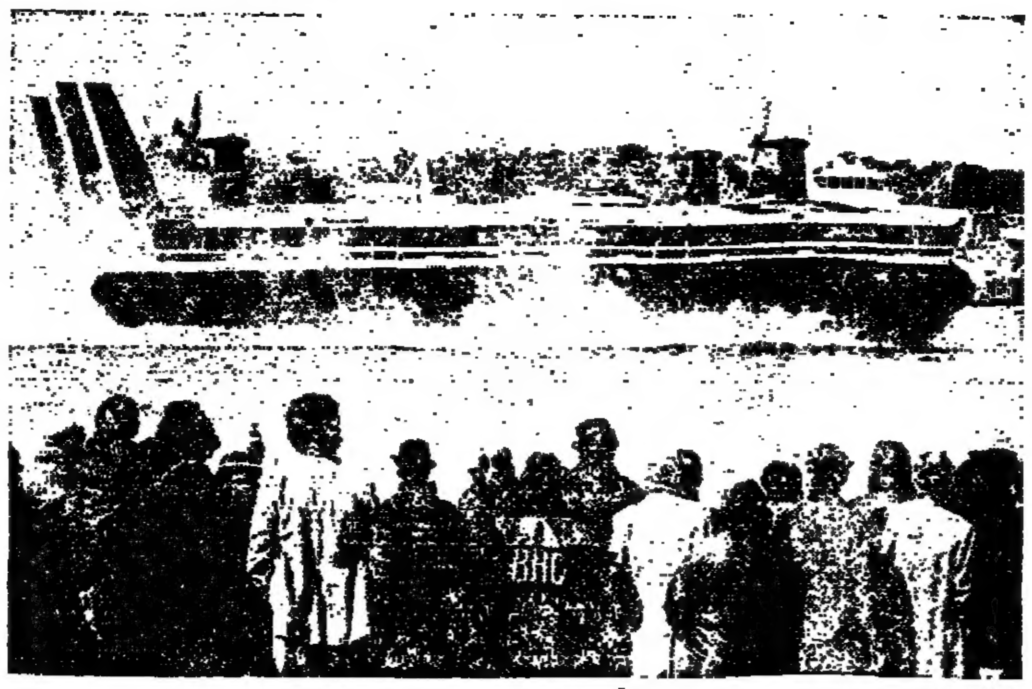
It is expected that the request that Air Canada should move all its scheduled air services from Heathrow to Gatwick—with a corresponding move by British Airways for its Canadian operations—will be strongly resisted.

The aim of the transfer is to boost traffic at Gatwick—which has been modernised at a cost of £100m.—and ease congestion at Heathrow.

On the charter side of the airline business the U.K. would like to see Canada cutting from the present 45 days to 21 days the period of "advance booking" required by intending passengers, with a cut in fares also.

The U.K. team will point out that fares from Canada to the U.K. on charters are higher than fares from the U.K. to Canada by a substantial margin—the Toronto-London return rate is \$C429 against the London-Toronto rate of \$C350.

So far as new routes for British Airways are concerned, the aim is to try to win rights to fly to and from Vancouver with, perhaps, some of the mid-Western Canadian cities added.



Terry Kirk

Crowds watching yesterday's launching of the world's largest hovercraft, Princess Anne, at British Hovercraft's factory at Cowes, Isle of Wight. The 500-ton, 185-foot craft goes into service on British Rail Seaspeed's Dover/Boulogne/Calais route in June.

Leyland names bus sales chief

FINANCIAL TIMES REPORTER

LEYLAND VEHICLES, the commercial vehicle subsidiary of British Leyland, has appointed Mr. Colin Watters as home sales director for its pasenger service division — the section responsible for buses.

Mr. Watters, 49, formerly bus sales manager at Leyland, succeeds Mr. Trevor Webster, who joined the Metro-Cammell group, Leyland's main competitor in the U.K. bus industry, several months ago.

The appointment leaves Leyland Vehicles with one main job still to fill after the recent reorganisation — that of managing director of the medium-light vehicle division in Scotland. The division was formerly headed by Mr. Harold Musgrove, now Austin Morris's manufacturing director.

The job of finance director was filled recently by Mr. Ken MacIver, who replaced Mr. Peter McGrath after his move to become managing director of British Leyland Components.

Leyland has lost another senior director within the components division, Mr. John Evans, who has been appointed managing director of Park Brothers of Blackburn. He was previously general manager and director of Butec Electrics.

Delay in change to company law causes concern

BY MARGARET REID

CONCERN over the Government's delay in amending company law to discourage abuses and bringing in legislation to tighten curbs on deposit-taking institutions has been voiced by the accountancy profession.

New incentives for individuals backing the growth of small businesses also are recommended by the Consultative Committee of Accountancy Bodies, which suggests tax concessions and a system for insuring such guarantors against the risks they shoulder.

In their evidence to Sir Harold Wilson's committee on financial institutions, the accountants concentrate on regulation of the City and on the need to alleviate burdens imposed on small companies and the desirability of stimulating the flow of equity capital to such concerns.

In a lengthy memorandum published to-day a week after the announcement of the City's new self-regulatory body the Council for the Securities Industry, the accountants put their full weight behind the concept of voluntary regulation in a broad legal framework.

But they are worried that action has not been taken by the Government to follow up the proposals to strengthen control over the banking system which were published as long ago as August, 1976, in the *White Paper entitled The Licensing and Supervision of Deposit-taking Institutions.*

"We understand that legislation is not expected to be introduced until 1979, and we must record our deep concern at the Parliamentary delays which afflict this and virtually every other measure aimed at improving the conduct of companies in general and financial institutions."

In a further hard-hitting passage about what they see as the urgent need for the new Companies Bill—which lately has been postponed—the accountants say: "We have examined 13 reports published by the Department of Trade following inspections carried out in recent years under sections 164 and 165 of the Companies Act, 1948.

"From this examination it is apparent that the most frequent and significant cause of criticism among the companies investigated arose from a dominant director who either mismanaged a company's affairs or was alleged to have committed fraud, and from the failure of the Board of directors as a whole to exercise due skill and care.

"Other prominent causes of inspectors' criticism include transactions between companies under common control or influence, the provision of loans to directors . . . and the provision of assistance for the purchase of the company's own shares. There is also evidence of misrepresentation of the financial position by financial institutions and there are criticisms of some auditors."

Personal income

Dealing with small businesses, and the need to encourage personal backers of them, the accountants suggest several tax adjustments.

They propose that the first-year capital allowances available for new capital spending on plant, in the case of small companies, alternatively should be capable of apportionment among the participators and so set directly against their personal income, rather than against the company's profits, if any. They also suggest that tax payable by participators on remuneration voted, but retained in the company, should be capable of deferment until the remuneration is withdrawn, or until the expiry of a specified period, whichever is the sooner.

Shell claims taxation could delay sea oil programme

BY RAY DAFTER, ENERGY CORRESPONDENT

A SENIOR executive of the Shell oil group has claimed that the lack of tax incentives in the North Sea could hold back development of small, marginally economic fields.

Mr. Peter Baxendell, a managing director of the Royal Dutch Shell Group and chairman of Shell U.K., said that some governments had granted a *flexible tax system to develop* the exploitation of such marginal fields.

"Here in the U.K. it is becoming increasingly apparent that insufficient fiscal provision has been made to permit development of the smaller oil and gas accumulations."

The comments, made yesterday at a meeting in London of the Institution of Mining and Metallurgy, contrasted sharply with the claim made less than a week earlier by Lord Kearton, chairman and chief executive of British National Oil Corporation. Lord Kearton then said the tax structure was "extraordinarily attractive" to companies.

Mr. Baxendell said that the cost of producing oil from the North Sea was now up to \$10,000 for every daily barrel of crude extracted *from a new field.*

The cost of Middle East developments in the early 1970s was about \$500 per daily barrel. Exploration costs had also risen sharply. One well drilled last year in the Atlantic to the West of Ireland had cost about \$17m.

Higher financial risks are being accompanied by new political risks. Governments were changing the rules for exploration and production. Companies were being confronted with arbitrary reductions in maximum allowable production rates.

They were also being told not to flare and waste gas produced with oil even though the volumes of gas might be too small to be handled commercially. This could play havoc with the economic appraisal of a develop*ment project.*

"The billion-dollar North Sea ventures are particularly vulnerable to changes of this kind," said Mr. Baxendell. Arbitrary and unforeseen depletion policies formulated by governments could easily make some projects uneconomic.

Oil companies must be given assurances about the minimum level of oil production they would be allowed.

Lake planners defer decision on Ennerdale

THE Lake District special planning board deferred a decision on whether or not to oppose the North West Water Authority's proposal *to raise unspoiled* Ennerdale by 4 *feet* to supply water to West Cumbria.

The board voted by 12 to 11 to take no action until Cumbria County Council has studied the latest report from the board's consultant water engineer and has made observations on it.

This over-ruled a recommendation of the board's own planning committee that the board oppose the abstraction.

Conservative county councillors on the board are eager to avoid a confrontation with the county council, which recently decided not to object to the Ennerdale scheme, and they feel that the deferment will give the council time to think again.

Bid to raise business

BRITISH AIRWAYS is trying to raise the number of business travellers it carries and the revenue it earns, writes Michael Donne. Its target is revenue of £600m., or 48 per cent. of total revenue world-wide in this financial year. This represents an 18 per cent. rise on 1977-78.

The airline is planning a package of improvements for its "executive cabin" passengers, ranging from improved comfort to language lessons and "keep fit" programmes involving instruction in isometric exercises—not gymnastics in the aircraft aisles.

The plan is to make greater use of the 44-48 seat executive cabin, situated immediately behind the first-class cabin on 747 jets. Travellers can reserve their seats in this cabin immediately on making a flight booking, instead of waiting until they arrive at the airport.

British Airways is also improving the service it offers its 50,000 executive-card-holders, including more lounges at overseas airports, such as at Cologne, Vienna, Budapest and Johannesburg, and improvements to existing lounges.

In addition, several airports will offer more first-class check-in desks, some of which will be available to card-holders.

The already popular "two for the price of one" hotel deal whereby a businessman gets a hotel room for himself and his wife at the *single rate is being* extended to include more hotels and a greater number of destinations.

Approval given to £13m. town centre scheme

ST ALBANS District Council has approved a £13m. town centre shopping development. The vote, which ends 13 years of debate over the Hertfordshire town's central area, gives the development to Samuel Properties, to be financed by Standard Life Assurance.

The 250,000 square foot complex is expected to take more than two years to build and will create a net 124,000 square feet of shopping space in the town. House of Fraser has agreed provisionally to develop one of its Army and Navy stores in the complex and International Stores will be the main food retailer.

Home loan control 'no answer'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

ARTIFICIAL CONTROL of mortgage lending was no answer to the long-term problems facing the housing market, Mr. Sydney Burton, managing director of Gateway Building Society, said in London yesterday.

Mr. Burton was referring to the recent Government decision to ask building societies to reduce mortgage lending by 10 per cent. to avoid an explosion in house prices.

He said that the Government had acted as a result of evidence which it believed suggested that an unacceptable rise in prices was taking place, but he did not think the case had been generally proved. Prices had been rising more rapidly, but it was clear that there were substantial regional variations in the pattern.

"What is needed is a climate under which builders will be encouraged to increase the supply of new dwellings of the right types and in locations where they are needed, so that there is equilibrium between the volume of houses on the market and the demand for them.

Railway buffet price cuts

BRITISH RAIL yesterday announced experimental price-cutting on scores of items sold in buffet cars on more than one-third of its Inter-City trains.

The six-month experiment is to test public reaction and marks the beginning of a new campaign to make catering play a more *positive role on trains*, British Rail said.

From Monday the price of coffee on Inter-City buffet cars is cut by 2p to 15p per cup; there will be 3p off a packet of biscuits; 5p off sandwiches, with the most expensive costing 29p; and 4p off a pork pie.

HOME NEWS

London rate grant challenge

Financial Times Reporter

THE GOVERNMENT has given London a greater share of the Rate Support Grant than is necessary after a fairer system for distributing the £7.5bn. grant — which meets about 60 per cent. of local authority expenditure overall — is urged by the Association of County Councils.

The result of the allocation of the grant was that ratepayers in county districts now faced increases of 12 per cent., while London ratepayers would receive rises averaging 3 per cent., Mr. John Grugeon, chairman of the association's local government finance committee, said yesterday.

"We believe the Government's decision on the distribution of the Rate Support Grant is mainly responsible for this huge difference."

Night study for accountants

FROM next October the London School of Economics is to provide evening courses for the London University M.Sc. in accounting and finance. Up to now these courses have been available only in the daytime.

Healey boom 'may put Britain in red'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE CURRENT account of the U.K. balance of payments could be back in the red by the end of this year in spite of a rising contribution for North Sea oil. The deficit could be running at an annual rate of nearly £1½bn. by the final quarter of 1979.

This is the central conclusion of a gloomy assessment of the U.K.'s economic prospects produced by the ITEM Club, which was founded last year by Scicon Computer Services and the Euromoney Research Bureau, using the forecasting model of the economy made available to the public by the Treasury.

This does not produce the same result as the Treasury forecasts, not only because the outside users provide their own working assumptions but also because the operation of the model requires a large number of independent judgments.

The ITEM Club argues that from its forecasts the turnround from surplus to deficit will be as rapid in the Healey boom of 1978-79 as in the Barber boom of 1972-73, as a result of a flood of imports sucked in by higher consumer spending.

"If Britain does run into balance of payments troubles again, too soon after struggling back into surplus, the effect will be traumatic," according to the Club's analysis.

"The deficit occurs despite only modest growth—less than a four per cent. rise in Gross Domestic Product in the two years to the end of 1979—and rising unemployment, up to 1¾m. by the end of next year.

"No mix of conventional policies—fiscal and monetary restraint, wage and price controls, sterling depreciation, external borrowing—will solve this problem. In consequence, Britain will drift, as the Cambridge Economic Policy Group has argued, into import controls."

The forecasts depend crucially on the import projections, and the club warns that these are based upon little more than an assumption that what has happened before will happen again.

It is pointed out that no great confidence can be placed in the import forecasts, though, in the past, they have generally been too optimistic, rather than too pessimistic.

Nevertheless, the Club forecasts a rise of a half during the next two years in the value of the U.K.'s imports of manufactured goods. Overall import volume is expected to rise by more than 10 per cent. in both 1978 and 1979, while export volume increases are limited to 1.6 and 4 per cent. respectively.

The result is that the current account, which has a surplus of £1.24bn. this year, swings down into a deficit of £891m. for 1979 as a whole. However, these projections take no account of the recent fall in sterling and rest on the assumption of a higher exchange rate throughout this year than rules at present.

The forecasts, which assume a £1.5bn. net stimulus in next Tuesday's Budget, are relatively optimistic about the chances of continued single-figure price inflation and the containment of monetary pressures.

Faster British Rail service to Edinburgh

BRITISH RAIL'S fastest train from London to Edinburgh, the Flying Scotsman, will be 38 minutes quicker this summer. With the introduction of new high speed services on May 8 it will make the 393-mile journey in four hours 50 minutes.

Mr. Leslie Soane, general manager of BR Scotland, said in Edinburgh that the faster service on the East Coast main line heralded a new era in Anglo-Scottish travel.

Increased passenger figures on the route from London to Bristol and South Wales, where the new high speed services were introduced 18 months ago, clearly demonstrated that the public liked the new trains.

Chasing the deer exports

BY RAY PERMAN

THE EXPORT potential of commercially-produced venison is to be studied by the Highlands and Islands Development Board, which has already bought an estate to farm deer experimentally.

Output of Scottish venison is about 35,000 carcases a year (1,500 tonnes), worth £2.4m. at last season's prices, and most of it is exported.

But production could be substantially increased if the board's experience proves that commercial farming on presently under-used moorland is feasible.

West Germany has emerged as the most important overseas market, taking two-thirds of exports, but little is known of the factors influencing supply and demand.

To find out more, the board is sponsoring a study at doctorate level at the University of Stirling, where work has already been done on the production economics of red-deer husbandry.

A year ago, the board bought the 3,800-acre Rahoy estate on the west coast of Scotland for £275,000, and is stocking it with cows, either caught wild or transferred from the research farm at Glensauch.

Merger of local and central audit bodies suggested

BY DAVID CHURCHILL

A POSSIBLE amalgamation of the auditing bodies responsible for central and local government was hinted at yesterday by Sir Douglas Henley, the Comptroller and Auditor General.

His comments were made in response to the recent Commons Expenditure Committee report on the Civil Service.

His views appear to go further than those outlined by the Government in its White Paper on the Civil Service published last month. They are likely to face strong criticism from local authorities who fear an encroachment of central control over local government affairs.

In his response, published yesterday by the Expenditure Committee, Sir Douglas pointed out that the Comptroller could not give personal attention to the issues arising from the audits of about 500 local authorities.

But it would be possible to "exercise a measure of central guidance and supervision over such matters as the audit methods and standards to be implemented, and the nature and balance of operational audits."

He could also make general reports on such matters, which would be laid before Parliament and made available to local authorities as a whole.

This, Sir Douglas said, would give Parliament more wide-ranging information on the activities of local authorities as well as leaving local audit reports to the individual local authorities and their electors.

"I think, therefore, it can be argued that an amalgamation of the District Audit Service (local government) with the Exchequer and Audit Department (central government) under a common head would be one way of achieving a system of audit which in principle could meet both these local and national objectives."

More Home News, Page 16

Since Parliament would want to maintain the constitutional independence of local authorities, "it would seem inappropriate for a Parliamentary Committee to attempt to exercise surveillance over the affairs of particular local authorities."

He added: "It also seems to me probable that an amalgamation of the two public audit services would be helpful from the point of view of staffing, staff management, and career opportunities.

"The duties at both national and local level have many similarities, extending as they do from the normal range of financial and management accounting audits through to wider questions of value for money, and the main professional qualifications required are broadly the same."

But Sir Douglas stressed that any changes would require careful planning and agreement at national and local level, as well as legislation.

Sir Douglas also suggested that "when a departmental function is hived off to a new public body it should be standard practice for the audit of the new body to be conducted by the Comptroller and Auditor General."

Profit sharing by law opposed

Financial Times Reporter

THE British Institute of Management has told the Board of Inland Revenue that its members have shown "no great degree of enthusiasm" for the proposals put forward in the board's consultative document, "Profit-sharing: Tax Relief."

Employee participation and profit-sharing are closely linked and should be considered together, the Institute believes. "In general our members favour the encouragement of both, but they are strongly against the imposition of either by law," writes Mr. Roy Close, director-general of the Institute in his submission to Inland Revenue.

"Profit-sharing schemes can be categorised into two main types: first, share-based, and secondly, cash-based and cashable share schemes. Our members are, on the whole, opposed to restrictions which prevent the sale of shares by employees and have a strong preference for cash and-or cashable share schemes."

The advantages of share-based schemes were that they appeared to be more likely to influence employee attitudes and encourage greater identification with the company.

"On the other hand, cash-based schemes have the advantage of much greater immediacy and directness and, it is thought, have a greater appeal to employees, especially those on the shop floor. The majority of our members whom we consulted expressed a preference for cash and-or cashable share schemes," writes Mr. Close.

The Institute suggests that the proposed limit on individual holdings is too low. Also there should be no compulsion to retain shares. If an employee chooses to sell within the holding period he should be able to do so but should forgo all or part of the tax advantage.

Coal Board may shut more coke plants

BY KEVIN DONE AND JOHN LLOYD

FURTHER CLOSURES of National Coal Board coke plants are threatened unless the Board succeeds in negotiating a long-term supply contract with the British Steel Corporation. Talks should be concluded in the next two weeks.

In recent months the Board has lost sales worth an estimated £12m. after the Steel Corporation's decision to cease all but emergency purchases of coke for its blast furnaces.

Depressed sales both in the U.K. and overseas have already forced the Coal Board to close down a 250,000-300,000 tonnes a year coke plant at Glasshoughton, near Castleford. About 250 jobs were lost in February, although there were no forced redundancies.

Over-capacity

Altogether the workforce of National Smokeless Fuels, the Coal Board's coke manufacturing subsidiary, has fallen by some 450 in the past 12 months. Capacity has been reduced by 500,000 tonnes a year, but the Board is still left with serious over capacity.

Remaining plants are capable of producing about 4m. tonnes of coke a year, but demand has been running at only some 3.2m. tonnes over the last year.

While negotiations have continued with British Steel, the Coal Board has tried to forestall further closures by running its 12 plants in South Wales, Durham and the Midlands at about only 70 per cent. of capacity.

The Steel Corporation is the Board's main customer for blast furnace coke, but when it became engulfed by financial crisis last year it chose to cut off purchases and rely largely on drawing supplies from existing stocks.

The Coal Board hopes for long-term sales to the Steel Corporation of about 500,000 tonnes a year. In the year to the end of March it was counting on sales of as much as 450,000 tonnes to British Steel. By October last year, however, the Steel Corporation had taken only about 190,000 tonnes. Since then purchases have all but ceased, and they are unlikely to amount to more than 230,000 tonnes for the full year.

The uncertainty over output directly affects the Coal Board's chemicals operations, which are largely based on the by-products of coke manufacture. As a result, it is seeking chemical market opportunities outside its traditional sector.

Broad banking definition urged by finance houses

BY MICHAEL BLANDEN

PROPOSALS FOR limiting the use of the name bank under the new licensing regulations for deposit taking institutions could have "a destabilising effect," says Mr. Ronald Barnes, chairman of the Finance Houses Association, to-day.

Mr. Barnes accepts in the association's annual report that the Bank of England has a duty to ensure the stability of financial institutions.

"We do not accept, however, that the proposed restrictions on the use of the words 'bank' and 'banking' will significantly assist in the fulfilling of that duty."

Some members of the association might be hit by the restrictions even though they had been banks for very many years.

"We would have thought that the supervisory role of the Bank of England would have made such a restriction unnecessary."

The association was also concerned about "the distortions which will arise because companies licensed under the legislation as envisaged will be able to undertake many banking functions but will have to invent new ways of describing those activities."

The role played by the finance houses in providing finance for industry was important. More than 10 per cent. of total new investment in plant and equipment in the U.K. was provided by them.

Such an involvement with industry made it vitally important to the economy that they "are not unduly impeded in carrying out their activities in a business-like manner and in providing instalment credit facilities in the form that suits the needs of their customers."

Mr. Barnes was concerned over some of the results of the new consumer credit legislation being put into effect. In particular, there was need to limit the administrative and financial burdens which much of the legislation could bring about and which would be reflected finally in the price paid by the consumer.

"We feel, too, that some of the consequences of this legislation will be to limit the availability of some types of credit."

The association has continued to press for an easing of the controls on car hire purchase, particularly for an extension of the maximum repayment period from the present 24 months to 36.

However, representations made to the Government so far have not met with success, and the association says: "the authorities are known to be concerned about the proportion of foreign cars being registered."

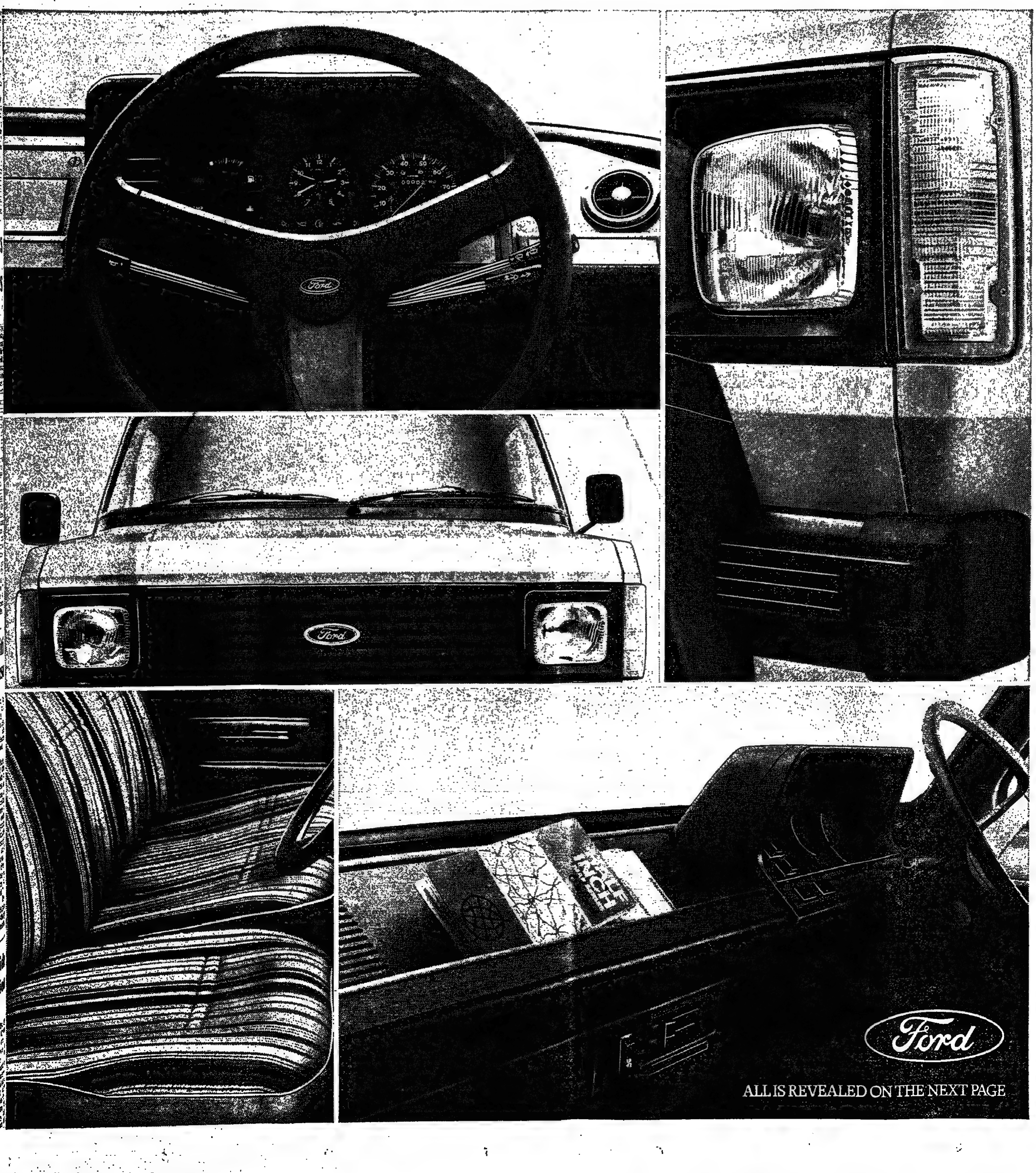
This seemed to be "using terms control as a disguised form of import control—though with singular lack of success."

Countryside preservation scheme

TWO county councils, sponsored by the Countryside Commission, are to start work on five-year schemes to conserve and improve the landscape. The first step will be to appoint a project officer in each county—Suffolk, and Hereford and Worcester.

The projects will cover substantial areas in each county, and are designed to maintain, and where necessary to create, a landscape attractive to people and wildlife.

YOU'VE SEEN FORD'S NEW GRANADA, CORTINA, FIESTA, CAPRI. BUT HAVE YOU SEEN OUR LATEST MODEL?



LABOUR NEWS

Top men at Thorn join unions' study

By Pauline Clark, Labour Staff

TOP EXECUTIVES from the Thorn and Pye electronics empires have agreed to join with two of the biggest unions in the consumer sector of the industry to make an urgent study of Britain's failure to invest in advanced electronics technology—in particular the video cassette recorder.

The setting up of the joint study group takes on a special significance after Thorn's announcement of proposals to close its colour television factory in Bradford, Yorks., at a cost of 2,200 jobs.

Leading unions in the sector hope that evidence gathered by the group will become a key weapon in their plans to fight the closure.

In particular they want pressure to be put on the Government to give companies incentives to invest rather than run down their operations in the face of the present over-capacity in the industry.

The new study group, set up on the initiative of the Electrical and Plumbing Trades Union and the Association of Scientific, Technical and Managerial Staffs as a sub-committee of the "Neddy" electronics consumer sector working party, expects to produce its report by June

Overcapacity

Its members are Mr. Richard Norman, chairman and managing director of Thorn Consumer Electronics, a wholly-owned subsidiary of Thorn Electrical Industries; Mr. Jim Griffiths, managing director of Pye, owned by Philips; Mr. Roy Sanderson, national officer for engineering in the Electrical and Plumbing Trades Union, and Mr. Tim Webb, national officer for electronics in ASTMS.

The union side, in rejecting the Thorn closure proposals, said yesterday that the company was failing to develop products of the next generation and was succumbing too easily to cuts.

● Workers at the two threatened Thorn Consumer Electronics factories in the Bradford area are to put forward their own plan to make the factories viable.

It will involve rescheduling of work within the two television assembly factories, which the workers claim will improve output and efficiency.

Save Speke by closing Belgian plant—unions

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

UNION LEADERS are to urge the possible closure of the Leyland Cars factory at Senesse, Belgium, as an alternative to shutting the Speke assembly plant.

Transferring assembly of the Allegro model from Senesse, where 2,700 workers are employed, to Liverpool is one of the options union officials will press on management next week. Executives of the six unions at the Speke assembly plant, which is under three months' notice of closure, have pledged support for a campaign to retain the 3,000-strong work force.

Mr. Grenville Hawley, the Transport and General Workers' Union national secretary for the automotive industry, said last night that a meeting with management was scheduled for next week, at which the unions would seek alternative work.

If the TR7 was phased out at Liverpool, the plant ought to assemble the Allegro, provide components for the car industry, or take in work from the truck and bus division.

Significantly, the national union officials have not yet accepted the principle of compulsory redundancy at Speke.

Direct appeal

Union leaders are clearly prepared to keep their options open, ready to support any spontaneous opposition to closure from the Speke work force.

While talks are kept at national level, the redundancy terms in exchange for smooth transition of TR7 production to Coventry will not be put to the work force.

However, Leyland may take the initiative in making a direct appeal to employees. But a rump of the labour force might be sufficient to blockade the plant and prevent transfer of the equipment.

Any militant action could halt the supply of Triumph Dolomite body pressings to the Coventry plant. Loss of both the TR7 and Dolomite models would pose serious problems for Leyland and could provoke another financial crisis.

Trade union members of the Cars Council, the top-tier worker participation body, have indicated they are prepared to resume talks after a meeting in London with Mr. Michael Edwardes, the British Leyland chairman.

More union influence urged

BY CHRISTIAN TYLER, LABOUR EDITOR

THE Transport and General Workers' Union will press the Government to set up what it calls joint investment committees in industries and individual companies to give unions a chance to influence decisions in favour of domestic employment.

Mr. Moss Evans said after his first session with the union's finance and general purposes committee as general secretary that the proposal was part of a wider drive against persistently high unemployment.

There could be two levels of committee—one at industry level in which national executives of unions would be involved, and one at company level where the emphasis would be on shopfloor representation.

Efforts

The committees could be tripartite, comprising Government, union and company members. Some companies, notably ICI, already gave their employees a chance to participate in investment planning, he said.

The union is redoubling its efforts to persuade the Government to introduce selective import controls on goods like textiles, footwear, electronics and motor cars, and to restore the cuts in public expenditure.

It reaffirmed its decision to tell union negotiators to bargain for a shorter working week, longer holidays and early retirement as an aid to cutting the dole queues.

Mr. Evans said insurance companies and pension funds should be encouraged to invest more at home, but the union was not yet looking for compulsory redirection of investment. The value of British companies' overseas investment at the end of last year was £18bn.

Without action on all these fronts unemployment could rise to 3m. by 1990, he said.

It was also decided yesterday that the union would join the consortium of trade unions which plans to provide the Labour Party with a new headquarters in Walworth Road in South London. As a generous landlord of the party for many years, however, the men of Transport House have not been asked to put in further cash.

Perkins engine plant production resumes

BY NICK GARNETT, LABOUR STAFF

THE PERKINS diesel engine company said yesterday that it expected normal production to resume at its main engine plant in Peterborough after agreement on an interim return to work formula at the strike-hit factory.

The strike started this week over payments for assembling marine engines and halted production at the company's Eastfield factory which produces the bulk of Perkins yearly U.K. output of 230,000 engines. About 90 per cent. of production is exported.

The stoppage originally involved 115 workers, members of the Amalgamated Union of Engineering Workers, on one of the plant's four production lines.

The company said that sympathetic action by workers on the other lines halted output and 1,200 workers out of the manual labour force of 5,800 had to be laid off.

The management said that it would not discuss the pay issue until the man had return to normal working.

The Eastfield plant produces three, four and six-cylinder engines for commercial vehicles, agricultural and industrial equipment and marine craft. Engine production at the smaller Fletton factory in Peterborough has not been affected.

Deal expected

THE SIGNING of a new national agreement for 1½m. engineering workers—the first for three years—is expected to-day.

Overtime banned by Lucas workers

By Our Labour Staff

PRODUCTION workers at Lucas factories in the Midlands start an overtime ban to-day to protest about a delay in finalising fringe items in their annual pay settlement.

More than 10,000 workers in the Lucas electrical and battery factories and the Girling brake plant in Birmingham will take part in the ban. There are also plans for a one-day strike on April 17. The Lucas Aerospace division will not be affected.

Shop stewards will review the position after two weeks. They are likely to call an all-out stoppage if negotiations on the dispute are not started.

The production workers agreed a pay settlement this year of a Stage Two rise and a productivity deal. A working committee was set up to discuss fringe items including early retirement, lay-off pay, sick pay, and long service holidays.

Pottery employers call in ACAS to solve strike

BY PAULINE CLARK

POTTERY EMPLOYERS in the Midlands yesterday called in officials of the Advisory Conciliation and Arbitration Service to help find a solution to a strike which they say they are powerless to settle because of the "caprice" of Government pay policy.

The strike, involving about 300 electrical maintenance workers in 120 pottery companies, is more than a week old.

It is feared that if the backlog of maintenance work continues to grow, some companies may have to shut down kilns.

The unofficial action by the electricians is over a claim for parity with the national pay agreement reached last December for workers in electrical contracting companies. Their rates are about 24p an hour lower at 155p.

In the past, pottery companies have linked the pay of their electricians with that agreed by the electrical contracting industry's joint board but they say they cannot do the same this year because they would be in breach of Government pay policy.

The electrical contractors agreement provided for flat rate bonuses for those who would not benefit from incentive schemes.

It was eventually allowed to go ahead after the Holiday Hall company successfully argued in the Appeal Court that it would be in breach of contract if it did not pay the agreed rates.

Irish ferry

A THIRD ferry is to be introduced on the Larne-Cairnryan Irish Channel route this month by Townsend Thoresen to increase sailings on Wednesdays and Thursdays from ten to 14 a day in the peak period.

No Front members call to union

A CAMPAIGN is being wa[...] by sections of the General [...] Municipal Workers' Union [...] prevent National Front mem[...] from belonging to Britain's t[...] largest union. It came afte[...] recent decision by the Nati[...] Union of Railwaymen to [...] action against Front membe[...]

The preliminary agenda [...] the GMWU conference at [...] borough in June contains [...] motions drawing attention to [...] dangers of Front members in [...] union.

The most far-reaching c[...] from Romford, London and [...] NF membership is "wholl[...] compatible with membershi[...] the GMWU." It urges br[...] secretaries to withdraw [...] membership from any [...] member.

CALL FOR TENDER

EMIRATES & SUDAN INVESTMENT CO. LTD.

TENDER FOR THE CONSTRUCTION OF 200 WAREHOUSES

(RED SEA REGION)

PHASE ONE: 34 WAREHOUSES AT PORT SUDAN

1. The Chairman of the Board of Directors, Emirates & Sudan Investment Co. Ltd., invites Tenders from competent contractors for the construction of 34 "Thirty four" Warehouses complete at Port Sudan (D.R. of Sudan) as phase one from the total number above.
2. The Tender Documents "in English only" can be obtained from the office of the Managing Director of the Emirates & Sudan Investment Co. Ltd., 16 Babiker Bedri St., P.O. Box 7036, Khartoum, Telex 524 EMSU KM, Telegraphic Address: EMSU Khartoum, during office hours against payment of L.S.100 (one hundred Sudanese pounds = £145 US$290) non-refundable.
3. Tenders will be accepted for 4 warehouses as a unit and Tenderers should deposit a sum of L.S.4000 (Four Thousand Sudanese pounds) or its equivalent in other convertible currencies either by certified cheque or a letter of guarantee from a reputable bank valid for at least three months after the closing date as a preliminary deposit in the name of the Managing Director, Emirates & Sudan Investment Co. Ltd., for each unit. Tenderers for more than one unit should multiply their deposit accordingly.
   Separate offers per unit for lighting and fire systems may be added as option.
4. The successful Tenderer/Tenderers shall be asked to sign formal contract within two weeks after being notified of the acceptance in writing and to complete the deposit to 10% (ten per cent) of the total value of the contract either by a certified cheque or a letter of guarantee from a reputable bank valid for one year after handing over all works. Other forms of guarantee may be required for longer period.
   Any other plans for payment that may lead to the reduction of the cost could be proposed by the tenderers.
   If the contractor fails to sign the contract within the specified time, he shall lose his right to recover the preliminary deposit.
5. The preliminary deposit shall be refunded to the unsuccessful tenderers two weeks after the firm award of the contract.
6. Tenderers shall state clearly the following:—
   a) The names, qualifications, and experience of engineers and technicians who will be responsible for the execution of the works.
   b) Examples of similar projects they have executed.
   c) A detailed programme specifying the progress of the works and the time required for the completion of all works specified in the tender and shown in the drawings, as from the date of the signature of the contract.
   d) A list of equipment and machinery in their possession necessary for execution of the works.
7. The supply of all materials, equipment and machinery whether local or imported necessary for the execution of all works is solely the responsibility of the Contractor.
8. Tenders shall be valid for at least three months after the closing date mentioned in para (12) below. The offer may be based on the detailed alternative or for an accepted alternative to be presented in detail to the Managing Director.
9. All information relevant to the tender shall be submitted in English Language.
10. For imported items, The Emirates & Sudan Investment Co. Ltd. will directly pay all insurance, clearance, customs and other Port charges.
11. Foreign Currency will be paid directly from The Emirates & Sudan Investment Co. Ltd. reserves with The National Bank Abu Dhabi.
12. Tenders should bear the prescribed stamp duty and should be addressed in sealed envelopes bearing the words (TENDER FOR THE CONSTRUCTION OF WAREHOUSES AT PORT SUDAN), to The Managing Director, Emirates & Sudan Investment Co. Ltd. and should be delivered to the Tenders Box at the Company's Head Office, 16 Babiker Bedri St., 3rd Floor, Khartoum, Sudan, not later than 12.00 Noon Sudan Time Tuesday the 20th of June 1978.
13. Any tender which does not comply with any of the above-mentioned requirements will be rejected.
14. The Chairman of the Board of Directors, Emirates & Sudan Investment Co. Ltd., is not bound to accept the lowest or any other tender.

CONTRACTS AND TENDERS

INVITATION TO TENDER

The Posts and Telecommunications Corporation of the Republic of Ghana once again invites tenderers, who will be limited to nationals of countries of International Bank for Reconstruction and Development (IBRD) and Switzerland only for parts of

NATIONAL TELECOMMUNICATIONS EXPANSION PROJECT

The invitation to tender is for the following two sub-projects:—

Sub-project A:

Installation on turn-key basis of new automatic telephone exchanges (stored programme control) which comprise one trunk exchange with manual switchboards (tertiary centre), for local exchanges equipped with 16,000 lines in total in multi-exchange areas, 6 local exchanges equipped with 2,500 lines in total together with manual switchboards (primary or secondary centres in single exchange areas), and power equipment.

Sub-project D/Item F:

Procurement of 170 sets of electronic teleprinter.

Prospective tenderers may obtain copies of the specifications against payment of two hundred U.S. dollars ($200), per complete copy, daily between 09.00 hours and 16.00 hours GMT from 30th March, 1978, to 15th May, 1978, at the address given below:

WORLD BANK PROJECT OFFICE (Room 312, 3rd Floor),
THE POSTS AND TELECOMMUNICATIONS CORPORATION BUILDING,
ACCRA, NORTH, ACCRA, GHANA.

The closing date of submission of the tenders will be at 11.00 a.m. Ghana time on 25th August, 1978.

Director General,
The Post and Telecommunications
Corporation of the Republic of Ghana.

LEGAL NOTICES

No. 00927 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SYRONS INVESTMENTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 28th day of March 1978, presented to the said Court by EPHRAIM MOSES of 13 Sheldon Court, Lower Edgeborough Road, Guildford, Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of April 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

RUBINSTEIN CALLINGHAM,
[illegible] Buildings,
Gray's Inn,
London, W.C.1.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of April 1978.

No. [illegible] of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BEAUMONT BUILDERS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of March 1978, presented to the said Court by JOSEPH WILFRID WILLIAM HUNTRODS, trading as MIDLAND COMMERCIAL SERVICES, of 6 College Street, Northampton, NN1 2QP, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 24th day of April 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

D. J. FREEMAN & COMPANY,
9 Cavendish Square,
London W1M 0DD.
Ref: PB/38144.
Tel: 01-636 4965.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of April 1978.

No. 00992 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WALSH-GUILDFORD (CONSTRUCTION) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 21st day of March 1978, presented to the said Court by SANDELL PERKINS LIMITED whose registered office is situate at Cobtree Wharf, Forstal Road, Aylesford, Maidstone, Kent, Timber Importers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of April, 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2/3, Hind Court,
Fleet Street,
London EC4A 3DS.
Ref: F/TTH. Tel: 01-353 5511.
Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of April 1978.

PERSONAL

COMPANY NOTICES

COMPAGNIE FINANCIERE DE PARIS ET DES PAYS-BAS

NOTICE TO SHAREHOLDERS

Following a Resolution passed at the Ordinary General Meeting held 6th April, 1978, a dividend of F.Frs. 13.30 per share of F.Frs. 100 nom[inal] for the year ended 31st December, 1977, will be paid as from 13th A[pril] 1978, as follows:—

Bearer Share Certificates

Against presentation of Coupon No. 169, residents of the United Kin[gdom] will receive F.Frs. 10.61 per Certificate of F.Frs. 100 nominal. (See Settle[ment] of Additional Payments below.)

Coupons will be paid at the rate of exchange ruling on the day [of] presentation.

Bearer Deposit Certificates

Against presentation of these Certificates for marking of Square No[.] residents of the United Kingdom will receive F.Frs. 0.5305 per Certificate [of] F.Frs. 5 nominal. (See Settlement of Additional Payments below.)

Certificates will be paid at the rate of exchange ruling on the day [of] receipt of the dividend on the corresponding underlying shares deposited [in] France.

Settlement of Additional Payments

Under the terms of the Double Tax Convention between France and United Kingdom, residents of the United Kingdom will receive subject [to] completion of Form RF-4GB, on or after 15th January, 1979, an addit[ional] F.Frs. 6.3475 per Bearer Share or F.Frs. 0.31375 per Bearer Deposit Certi[ficate] thus increasing their dividend entitlements to F.Frs. 16.9575 per Share [or] F.Frs. 0.847875 per Bearer Deposit Certificate.

Holders are advised to submit Form RF-4GB at the time of presenta[tion] of Coupons and/or Bearer Deposit Certificates. The Form may, however, [be] submitted at any time up to 31st December, 1979.

Payments in respect of Coupons and Bearer Deposit Certificates will [be] subject to deduction of United Kingdom Income Tax at the standard rate [of] 34% unless claims are accompanied by an affidavit.

Replacement of Certificates

The Share Certificates of F.Frs. 100 nominal numbered 1 to 4,760 [...] which after payment of the above dividend are devoid of coupons, will [be] replaced without conforming to numbers.

Coupons, Bearer Deposit Certificates and Bearer Share Certificates (devoid of coupons) should be lodged with:—

S. G. WARBURG & CO. LTD.,
Coupon Department, St. Albans House, Goldsmith Street,
London EC2P 2DL.

from whom appropriate claim forms and further information can be obtained.

Copies of the Annual Report and Accounts will shortly be available [in] French and in English on application to S. G. Warburg & Co. Ltd.

7th April, 1978. Compagnie Financiere de Paris et des Pays-Bas

UNILEVER LIMITED

NOTICE IS HEREBY GIVEN that the RECORD DATE for the dividend on the ORDINARY shares in the Company payable on the 30th May 1978 is the 5TH MAY 1978 when transfers will be suspended for one day only. Transfers received after the close of business on the 4th May 1978 will be registered ex dividend.

By Order of the Board.
J. D. KEIR, Secretary.
Port Sunlight,
Wirral, Merseyside.
6th April 1978.

[illegible]

CANADIAN PACIFIC LIMITED

(Incorporated in Canada)

ONTARIO & QUEBEC RAILWAY COMPANY 5% DEBENTURE ST[OCK]

In preparation for the payment of half-yearly interest payable on [...] June next, the Debenture Stock Books will be closed at 3.30 [...] 1st May and will be re-opened [...] June.

W. E. REEVE,
Deputy [...]
50, Finsbury Square,
London EC2A 1DD.
7th April, 1978.

JAMES BEATTIE LIMITED

[illegible]

KLEINWORT BENSON (JAPAN) FUND

[illegible]

THE NEW FORD TRANSIT.

For the past ten years in succession, more people have bought the Ford Transit than any other vehicle in its class.

And no wonder.

It was widely regarded as an operator's dream.

Easy to get in and out of. Acres of room in the cab. Easy to load and unload. Easy to service. Tough. And available in enough engine, door configuration and wheelbase versions to cover every conceivable need.

Hardly a prime case for replacement. But what a machine to improve on.

Above, you see the result. The new Ford Transit. All the features that made the old Transit such an enormous success have come back to life in a new stylish package. Hand in hand with a long list of dramatic improvements.

Basically, this is what we've done to make it better than ever.

Outside, the styling speaks for itself.

Inside, the seating, instruments and overall trim would put a few family saloons to shame.

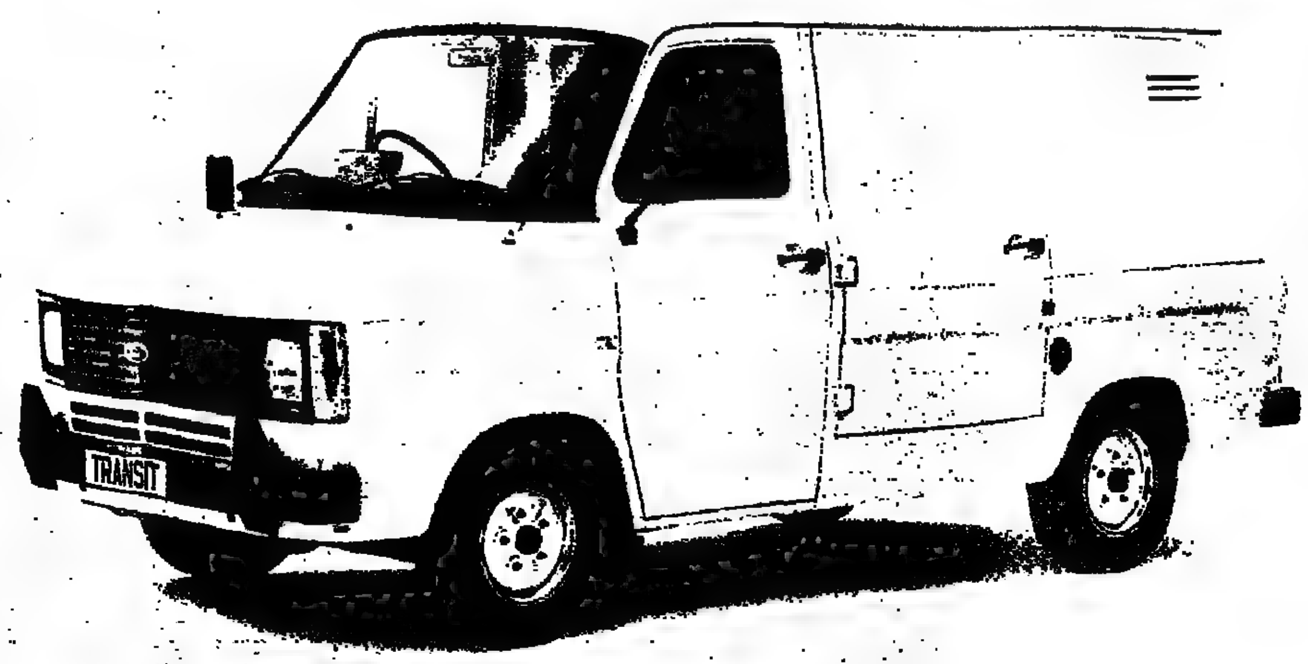
Noise has been reduced to a remarkably low level. A redesigned suspension makes the ride a whole new experience.

And with the addition of 2 new OHC petrol engines that run on 2 star, and a vastly improved 2·4 litre diesel, overall reliability and economy have taken a big turn for the better.

We're confident the new Transit will be a huge success. And why shouldn't we be?

We started with a huge success. And made it even better.

FORD TRANSIT



ILLUSTRATIONS ON THIS AND A PREVIOUS PAGE SHOW A CUSTOM VAN WITH 2.0 LITRE OHC ENGINE. OPTIONS ILLUSTRATED INCLUDE SIDE LOADING DOOR, CLOTH TRIM, LAP STRAP, HEADLAMP WASH WITH OVERRIDERS, WHEEL TRIMS, CLOCK, MILEAGE TRIP RECORDER AND RADIO.

Conservatives attack Rees on immigration statement

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. MERLYN REES, the Home Secretary, came under bitter attack from many Tory MPs in the Commons yesterday when he made an interim statement on *immigration, rejecting several of* the major recommendations put forward last month by the all-party Select Committee on immigration.

The statement was seen by Mr. William Whitelaw, deputy leader of the Conservative party, as an *attempt to upstage the Tories'* policy document on immigration which he will be unveiling to-day.

There were jeers of derision *from* the Labour back benches when, in a brief two-sentence reply, Mr. Whitelaw refused to *be drawn by the Government's* tactics.

He thought that Mr. Rees's statement showed that the Government intended to do nothing in response to the report of the Select Committee.

"We don't accept this as in any way satisfactory and I shall be making our detailed reasons for this view clear to-morrow," *he said.*

A few Tory backbenchers appeared to give cautious endorsement to Mr. Rees's announcement, thus lending some credence to his view that the Conservatives were deeply divided on the issue.

But the Opposition was overwhelmingly critical of the Home Secretary's stance. Mr. Ivor Stanbrook (C., Orpington) urged him to "cut out the eyewash about commitments and come clean with the British people."

According to Mr. Stanbrook, the only moral commitment that mattered was the interest of the British people here.

The support for Mr. Rees from *the Labour side was equally vociferous.* He claimed that the latest figures, released yesterday, showed a continuing drop in the *number* of immigrants from the new Commonwealth and Pakistan.

The total number accepted for *settlement fell from* 37,000 in 1976 to 28,000 last year—a reduction of 25 per cent.

In the light of this, the Home Secretary rejected the Select Committee's recommendation, which had implied a new, specific annual quota on immigration.

He felt is was particularly important to reassure the immigrant community on this point.

*He also turned down the com*mittee's recommendation that the Government should initiate an independent inquiry to consider a system of internal control of immigration.

This would mean identity cards for everyone *and* new powers to require their production on demand — a move that he thought would be unacceptable to the British people.

"In the Government's view, no useful purpose would be served *by setting up an inquiry,"* he said to hearty cheers from Left-wingers.

*But the Government would con*tinue to take vigorous action on immigration control and would energetically purusue discussions with the TUC and the CBI about dealing more effectively with illegal entrants and overstayers.

"The United Kingdom is now and will remain a multiracial society," Mr. Rees said. "Our overriding responsibility is to do all in our power to make it a harmonious one."

He was also severely critical of Mrs. Margaret Thatcher, the Conservative leader, for having said that the *British* people were afraid of being "swamped" by immigration.

"The figures to-day show clearly that we are not being swaped. Anybody who gives that impression is wrong. The figures speak for themselves.

"*Any changes in policy need* to be related to the fact that the sort of immigration there was in the 1960s is over."

● *Commenting* on the immigration statement, Lord Hailsham, one of the elder statesmen of the Conservative Party, took a markedly different line from his colleagues in the Commons.

Replying to the Lord Chancellor, who read the statement in the House of Lords, he laid strong emphasis on the areas of agreement between the three major parties.

Lord Hailsham, a member of *the Shadow Cabinet,* endorsed the object of the Government in seeking to relieve anxieties on "this highly-charged subject." He thought it would be well to emphasise that the points of agreement between the Labour party and his own were more *important and much wider than* the points of disagreement on this subject.

"I think there is nothing less likely to relieve anxieties than *the rather sharp and almost* hysterical reaction that has come from certain quarters," he said.

Everyone was now agreed on the principle of honouring commitments already made. He was disappointed, however, that the statement said nothing about the *need to give priority to a British* nationality law, which had been one of the most important recommendations of the committee.

Higher limit for NEB opposed

By Philip Rawstorne

THE CONSERVATIVES are to vote against the Government *order in the Commons on Mon*day to raise the National Enterprise Board's borrowing limits to £1bn. *But* an order providing for £450m. assistance—£300m. of it from the NEB—for British Leyland will not be opposed.

Conservative leaders, having decided to back Mr. Michael Edwardes' efforts to revive British Leyland, argue that the NEB has sufficient funds available for the operation.

Of the £300m. to be contributed by the Board, £275m. was advanced last month as a short-term loan and is now to be converted into equity capital.

Payment of the remaining £25m. will leave the NEB with headroom of some £64m. below *its present borrowing ceiling of* £700m.

Though Sir Leslie Murphy the Board's chairman, has said that this would not be enough to meet the capital needs of the NEB's 33 companies in the next year, the shadow Cabinet has decided *to oppose any increase* in its funds in an attempt to restrict its activity.

The move is in line with the party's tentative plans *for* a future Tory Government to convert the NEB into a simple State holding company for problem companies like British Leyland only, so curbing the Board's entrepreneurial activities.

It seems *unlikely last* night however that the Conservatives would be able to rally enough support among the other opposition parties to block the Government order.

Callaghan escapes Tory trap about Labour plans for nationalisation

BY IVOR OWEN, PARLIAMENTARY STAFF

WITH THE AID of Rolls-Royce and its notable achievement in securing prospective orders worth £260m. for the RB-211 engine, to power Lockheed Tri-Star jets for Pan-Am, the Prime *Minister effortlessly outdistanced* Tory MPs in the Commons yesterday as they tried to pursue him over Labour's nationalisation plans.

Mrs. Margaret Thatcher, the Opposition leader, joined with Tory back benchers in an attempt *to shackle Mr. Callaghan* with the commitment to "massive further nationalisation," which, they said, was contained in a speech by Mr. Anthony Wedgwood Benn, the Energy Secretary, in Bradford last month.

They stuck to the chase, even *though the Prime Minister* gave an early indication of his escape route after warmly praising all concerned at Rolls-Royce on the outstanding success achieved with the RB-211 engine, and disclosing that he had written a personal note of congratulation *to Sir Kenneth Keith, the chair*man of the company.

Then, with obvious relish, he pointed out that congratulations were also due to the Conservative Party, which during the Heath Government nationalised Rolls-Royce.

Undeterred, Mr. Nicholas Winterton (C., Macclesfield) pressed on after Mr. Benn, whose *Bradford speech was described* by the Prime Minister as being more a statement of philosophy than a statement of policy.

Mr. Winterton called on Mr. Callaghan to tell the country "in rather more principled terms" why he allowed Mr. Benn's repeated and damaging demands for more nationalisation to go unrebuked.

It was about time that the Prime Minister, who was a substantial landowner himself, stood up and *declared his opposition* to the pseudo-Marxist policies being pursued by his party and within his Cabinet.

Mr. Callaghan replied that Mr. Winterton had not studied Mr. Benn's speech with the care it deserved. He had done so, and *found it excellent in the way it* portrayed the philosohpy of freedom and democratic socialism.

This brought Mr. David Steel, the Liberal leader, to his feet, to stress that as long as the Lib-*Lab* pact survived, *there* was no possibility of Mr. Benn's "interesting ideas" seeing the light of day.

But this did not satisfy Mrs. *Thatcher, who complained that* Mr. Benn was known to want "massive further nationalisa*tion," extending* to the bank[s,] insurance, land and leadin[g] industrial companies.

"Will you say whether yo[u] accept or reject that pr[o]gramme?" she demanded.

Ignoring shouts from th[e] Tory benches for a Yes or N[o] answer, the Prime Ministe[r] urged Mrs. Thatcher to await th[e] publication of the Labou[r] *Manifesto which.* In due cours[e] the electorate would be aske[d] to judge.

Amid Tory cheers, Mr[s.] Thatcher retorted: "Why do yo[u] not give a straight answer to [a] straight question?"

Massive further nationalis[a]tion *was* part of the Labour pr[o]gramme, she insisted, and wou[ld] remain so until the Prim[e] Minister repudiated it.

Mr. Callaghan again repeat[ed] that these were questions for th[e] *next General Election* campaig[n] even though the atmosphere [in] the House suggested that it h[ad] already started.

In a final thrust, he delight[ed] Government supporters by co[n]tending that the one phra[se] which had caught the publ[ic] imagination in the earlier ar[gu]ments over the mixed econo[my] was that used by Mr. Hea[th] *when, as Prime Minister,* spoke about "the unacceptab[le] face of capitalism."

'Birch' the hooligans, MP urges

A CALL for a return to corporal punishment was made in the Commons yesterday as MPs discussed football hooliganism.

Mr. Michael Brotherton (C., Louth) urged Ministers to make sure *the punishment inflicted by* magistrates on hooligans was sufficient to meet the crime. "It is time we returned to corporal punishment for young hooligans," he said, as Labour MPs protested.

But Dr. Shirley Summerskill, *Home Office Under-Secretary,* replied that it was better to see how recently-increased maximum fines *affected the situation,* before further measures were considered.

Mr. John Evans (Lab., Newton) suggested that the call by *the chairman of the Football* Association for greater Government action, made at the time *of the Millwall-Ipswich* "riot", now looked a bit sick, in view of Millwall's punishment.

"That punishment has been reduced to a farce by the decision of the Footbal League to allow Millwall to play their home game (against Mansfield) at the end of the season," he said.

The football authorities should put their house in order and seggregate supporters, fence off pitches and ban the sale of alcohol.

Mulley rejects plea to abandon nuclear test

BRITAIN'S nuclear test explosion in America to-day will not *herald a new generation of* British nuclear weapons, Mr. Fred Mulley, the Defence Secretary said in the Commons yesterday. He rejected a plea by Mr. *Frank Allaun (Lab., Salford E.)* to abandon the test.

"This test, due to take place at the U.S. Department of Energy site in Nevada, is required to maintain the effectiveness of our nuclear weapons," Mr. Mulley said.

Mr. Allaun said that it would assist the Anglo-American-Russian test ban talks if Britain set the lead by foregoing this test. He asked why it was being *carried out at all, if it was not a* step towards a new nuclear weapon.

"You don't need to test nuclear bombs to see if they have gone stale like a piece of cheese," he said.

Mr. Mulley replied that no-one was more anxious than he for a comprehensive test ban.

No advantage would be gained by Britain's foregoing one of its very few tests. "I can assure you that we have no plans for any new generation of nuclear weapons," he said.

For the *Liberals,* Mr. Emlyn Hooson, urged Mr. Mulley to give an assurance that there was no intention to develop another generation of nuclear weapons. Mr. Mulley replied: "I have repeatedly said there are no new plans for any new generation of nuclear weapons. Anyone who doubts that is doubting my integrity."

Speculation on inflation discounted

By Ivor Owen

A *SUGGESTION* in a leading article in The Times that Britain's annual inflation rate could climb to 15 per cent. as a result of the increase in the money supply which has taken place over the last 12 months, was discounted by the Prime Minister in the Com*mons yesterday.*

He told MPs that the article, which he suspected had been written by a well-known monetarist, had "sensationalised a little" by annualising or translating into an annual rate, an increase in the money supply over a period of *three or four months.*

This was not necessarily what would happen over the next 12 months. A study was being made of the particular proposition put *forward in the article.*

Meccano move criticised

FINANCIAL TIMES REPORTER

A PARLIAMENTARY sub-committee hearing evidence about Merseyside's social and employment problems were yesterday given we evidence about proposals for a major company in Liverpool to leave the city.

Informal trade union contacts *alerted the City Council* to an intended move by the Airfix-owned toy company, Meccano, which was seeking a new site in Huyton about six miles away. This was expected to lead to the replacement of its then 1,100-strong work-force over the next three years.

The factory management was ignorant about the proposals, *until they were flown out to* Munich for a briefing about company plans, according to Councillor *John Hamilton,* the leader of Liverpool City Council.

On hearing of the proposed move, the Council negotiated to buy the *six-acre site for £275,000* and lease it back to the company. This had freed working capital for the old buildings to be replaced, said Councillor Hamilton.

*Mrs. Rene Short, MP for Wol*verhampton and the sub-committee chairman, said the lack of communication over the proposal to move was "scandalous . . . and a terrible situation."

The sub-committee yesterday completed two days of hearing *evidence in Liverpool.*

Shore forecasts domestic rate increases of just under 10%

BY CHRISTOPHER DUNN

DOMESTIC RATES this year should go up on average by just under 10 per cent. in England and Wales, Mr. Peter Shore, Environment Secretary, predicted in the Commons yesterday.

The forecast contradicted recent estimates by the Rating and Valuation Association that rates in *1978-79 had risen by* 11 per cent.

"On the basis of a 92 per cent. sample, the average rates rise will be 9.7 per cent." Mr. Shore *stated, in a written answer to a* Parliamentary question from Mr. Laurie Pavitt (Lab., Brent S.).

The figure was a weighted average which took into account the different sizes of local authorities.

Mr. Shore said that his figure was lower than the association's estimates because the latter's *calculations, based on average* rates increases, were not adjusted to local authorities' relative sizes.

The statement was in line with Government forecasts in November that average domestic rates should rise by less than 10 [per] cent.

The Government, in its surv[ey] sampled 371 out of 403 ra[ting] authorities. Outer Lon[don] Boroughs showed a 2.1 per ce[nt.] rates rise, but Inner London [was] up by 7.2 per cent. Metropoli[tan] districts as a whole had incre[ased] rates by 9.3 per cent.

Of the non-metropolitan [dis]tricts, Wales showed the big[gest] percentage rise, with a 12.3 [per] cent. increase. The average [rise] in English non-metropoli[tan] areas was 11.6 per cent.

Peer condemns seal slaughter

THE ANNUAL slaughter of seals in Canada is becoming an "international scandal," Lord *Boothby said in the Lords yesterday.*

He urged the Government to do everything in their power to put pressure on the Canadian *Government to end the slaughter.*

Earlier, Lord Houghton of Sowerby, the Labour peer, asked whether the Government was persuaded by the widespread revulsion of public opinion against the massive slaughter of young seals in Canada to tell the Canadian Government that *future exports of seal pelts to* the U.K. would be unwelcome—or whether, alternatively, they would put *this first among* their import controls.

Baroness Stedman for the Government, replied: "The Canadian Government is well aware, *through* its High Commission in London, of the strong and widespread feeling aroused by *this issue in Britain*..

"The Government is also fully aware of the extent of public concern and has received many requests to ban imports of seal pelts.

"In this respect, I underst[and] that the Under-Secretary of S[tate] for Trade will be consulting *Ministerial colleagues to de[ter]*mine whether action on the l[ines] suggested would now be ap[pro]priate."

Lord Houghton asked whe[ther] the United States had alre[ady] banned these imports and [that] that France was conside[ring] *doing the same.*

Lady Stedman replied [that] many opponents of the Cana[dian] cull had claimed that France [and] the United States had ban[ned] imports of skins but her infor[ma]tion was that none of t[hese] countries has such a ban.

She told peers that the [cull] was primarily designed to m[ain]tain the ecological bal[ance] between the number of seals [and] the necessity to maintain st[ocks] of fish.

RUPERT CORNWELL, LOBBY STAFF, ASSESSES PARTY POSITIONS BEFORE BY-ELECTION

Lambeth Central highlights problems of inner city area

"THE PROBLEMS here are the problems of the country." The words are those of Mr. Jeremy Hanley, *the Conservative candi*date in the forthcoming by-election in Lambeth Central, the old Brixton seat in South London.

On first glance, they seem just the ritual *battle cry of an aspir*ing politician, to be uttered at every morning Press conference between now and polling day on April 20. In a sense of course they are. But in Lambeth's case they are particularly true as well.

For the constituency affords a near perfect field study of what ca nhappen to an inner-city area when faced by all of Britain's endemic ills—low growth, high unemployment, bad housing, en*forced public expenditure cuts* and so on—blended with a high concentration of immigrants.

Race and the economy are already set fair to be the dominant issues at the General Election, which cannot be many months away. *In Lambeth, they already* are, but in the case of race, perhaps unfairly so.

For if htere is one thing on which the candidates of the three major parties do agree, it is that the area is not about to go up in flames. Of the 73,000 people *who live in the constituency,* perhaps 25 per cent. are black, mainly of West Indian origin.

What Lambeth borough does have is perhaps the highest level of your unemployment in London. Of the 7,456 people registered without jobs in the Brixton area, *just one fifth are black.* But of that figure, 50 per cent. are under 24.

The housing problem is as bad. Even Labour, which has long controlled the borough, admits that Lambeth's waiting list is 18,000, the worst in London. Yet thousands of council huoses are empty. In one ward, Ferndale, *40 per cent. of households are* without hot water, bath or shower, and inside lavatory. Overcrowding is more than double the London average.

For all this though, Lambeth Central is one of those most coveted prizes as the Conserva*tives move in front in the opinion* polls, a safe Labour seat. Labour it has been since the war—the property of Mr. Marcus Lipton, who captured it in 1945 and held it for 33 years until his death last month. Lipton's *legacy* is a majority of almost 8,700, *that would require a swing* to the Conservatives of almost 17 per cent. to be overturned, and at the moment there is no sign of that happening.

His likely successor as MP, is Mr. John Tilley, a 36-year-old journalist who has been immersed in south London politics.

He is unquestionably on the Left-wing of the party, in contrast to his predecessor, whose squire-like qualities and immense local popularity attracted a personal following that Tilley cannot hope to match yet.

But *Lambeth traditionally* polls very low. The turn out even in February, 1974 was only 62 per cent. and the following October, only 52 per cent.

Jerry Hanley, tax expert and son of the late Jimmy Hanley of "Jim's Inn" fame, is waging a brisk, *no-nonsense campaign,* helped by the knowledge that the country's mood is swinging his party's way. His points are predictable, but no less telling for that: the failure of the inner-city policy of the Government, and of a party which has dominated local politics ("Who's been running Brixton? The way *Labour talk you would think the* man in the moon's been in charge—and if he had been he couldn't have done a worse job."): the fight against Tilley is the struggle against the "Red peril" version of the Labour Party.

Then, of course, race. Hanley is squarely behind the Thatcher line, that the problem can only be tackled if it is brought out in the open. He

Perhaps most intriguing, however, are the Liberals, who are making an unashamedly big pitch *in a seat where in October 1974,* they won only 12.5 per cent. of the votes to finish a distant third.

Improbable it may sound, but their campaign looks the most dynamic (no less than three press officers) and Mr. David Steel, the leader, is personally committing himself with several promised *visits from nearby Westminster.*

The party's local organisation is strong, and the Liberals possess an attractive candidate in Mr. David Blunt, a 32-year-old lawyer who has made a typically altruistic Liberal gesture in offering his own "gentrified" house just outside the constituency as campaign headquarters.

The Front had trouble in finding a candidate and had to bring in Mrs. Helena Steven, from Greenwich. So far, she has been little in evidence.

A bigger threat to the tradi*tional Labour pool of votes are* the four far left parties in the race. Two have black candidates, and one of them, Mr. Tony Bogues, for the Socialist Workers Party, is clearly ahead in the battle of the posters.

Impressionist paintings fetch £264,620

SALEROOM

BY ANTONY THORNCROFT

SOTHEBY'S completed a successful week selling the notoriously fickle modern and Impres*sionist* paintings with an auction of less important works which totalled £264,620.

Top price was *£9,200 (to which* must be added the (10 per cent. buyers' premium) paid for both a Renoir *Paysage du Midi* and a Vlaminck, just called *Paysage.*

Other good prices were £9,000 for Le Palais Blanc en Automne by Henri le Sidaner, and the *£8,500 from a Japanese buyer for Nature Morte,* also by Renoir.

The week of Islamic sales at Sotheby's ended with the first auction concentarting on Islamic *coins.*

It totalled £41,352 with Spink paying £3,800 for a 19th-century *gold coin of Abd al Hamid II.* A gold dinar of the Omayyads struck at the Spanish mint of Al Andalus in the 8th century made £3,600.

Strong bidding in a sale of French and Continental furniture at Christie's pushed the total for 86 lots to a respectable £324,321.

As expected, a Louis XVI equation logcase clock by *Ferdinand Berthoud of Paris* made the day's top price, going to Banham, the London clock dealer, *for £34,000.*

Berthoud (1727-1807), was apprenticed to Julien Le Roi in *Paris in 1745.*

He produced many fine regulators and timepieces, and carried out considerable experimental work on precision timekeepers, publishing his results in several papers and books.

In keen competition among a *number* of Continental buyers, an anonymous bidder from West Germany secured a South German walnut *and marquetry bureau*-cabinet from the second quarter of the 18th century at £21,000.

A buyer from Paris paid £12,000 for a Louis XV king[wood] and tulip bureau-plat.

A Louis XIV boulle and eb[ony] commode, a similar though [more] elaborate example of which [can] be found in the Wallace Co[llec]tion, was also bought [anony]mously at £10,000.

An early 17th-century tape[stry] *from the atelier of The W[...]* Guebels and Jan Raes, w[...] with the Return of Odysseu[s to] Ithica, sold to the German de[aler] von Behren at £9,500.

The Victoria and Al[bert] Museum paid *£9,000* for [...] *Apotheosis of Louis XIV,* [an] *early 18th-century Fre[nch]* needlework hanging worked [in] petit point.

A sale of wines, mainly f[rom] private sellers, also at Christ[ie's] totalled £42,434, with a bo[ttle] of 1811 cognac fetching £2[...].

Other high prices included [...] bottles of Chateau Lafite [...] at £620 per dozen and [...] bottles of Chateau Latour [...] *at £520* per dozen.

A record auction *price* [of] £5,800 for a single Chinese st[amp] *was paid at Phillip's yesterda[y].*

It was a red one-dollar [sur]charge on an 1897 three-[...] stamp and was bought *by* [an] anonymous British dealer. [The] previous best price for a sin[gle] stamp at auction was £1,200 [...] years ago.

Phillip's was selling a pri[vate] collection of rare Chi[nese] stamps gathered, by Mr. H. Fletcher, a Briton working [in] the Chinese Customs servic[e in] the early years of the cent[ury]. *The collection* realised £5[...] with many American, Japa[nese] and Hong Kong buyers ta[king] *part in the bidding.*

In other auctions yester[day] Bonham's sold European [paint]ings for *£112,379.* A pair [by] Edmund Adler sold for £[...] and a small view of a Paris park by Gagnon *exceeded* [its] forecast at £2,400. *The propo[...]* by Soulacroix, made £2,200.

Christie's South Kensin[gton] brought in *£19,900* from [dolls] and toys. An automaton of [...] Christy Minstrels sold for £[...] and another of spectators a[t a] race *meeting for £2,500.*

NORTH SEA OIL REVIEW

BY RAY DAFTER

The four conflicting roles of BNOC

THE NEW package of licensing measures announced by the Government on Wednesday raises some fundamental questions about the conflicting role of the British National Oil Corporation and its operations on the U.K. Continental Shelf. Very quickly the State undertaking has established itself as both a referee and player; as a partner of the private oil sector but, in some respects, an opponent as well.

The established offshore industry is becoming more vocal about this conflict. Hence the remarkably frank outburst by Mr. George Keller, vice-chairman of Standard Oil of California on an ITV programme this week. BNOC—a partner with SOCAL's Chevron subsidiary in the Ninian Field development—was a growing albatross around the neck of oil companies, he said. It was an undertaking making no contribution to the British economy but which was responsible for a slow-down in North Sea development. Lord Kearton, chairman and chief executive, was quick to retaliate by pointing out that the Ninian development programme was far from ideal—"stinking" was his exact word—before BNOC came along.

Mr. Keller's remarks rang true with many North Sea companies although they were not necessarily representative of industry feeling as a whole. Indeed, there seems to be a growing rapport between at least the major oil companies and BNOC. Discussions this week between Lord Kearton and Mr. Clifton Garvin, chairman and chief executive of the giant Exxon Corporation, are said to have been cordial and constructive.

Kindly

But even among the majors there is undisguised concern about BNOC's growing offshore role. Sir David Steel, chairman of British Petroleum, mentioned last week that the company was working out methods of co-operation with BNOC although the company was finding that the state oil group was "impingeing" more and more on BP's traditional business—such as crude oil trading. Maybe this remark stirred Lord Kearton to observe that private oil companies were being treated "almost unbelievably kindly" under the existing tax regime.

BP, he said, had shown in its latest accounts that it had paid £350m. in Petroleum Revenue Tax although in fact it had not handed over a penny. To say that the oil companies gave a fair and true picture was nonsense, he told a small gathering of Pressmen following the Corporation's monthly board meeting. (In fact, BP's accounts show that the amount has been set aside for future payment.)

Lord Kearton also stressed that companies were guaranteed an allowance against PRT of 175 per cent. of their field development costs and that offshore groups could use tax credits from one field to offset development costs on another. Such tax conditions were "extraordinarily attractive" he said.

However, his comments provoked a swift response from another major oil group this week which told the Financial Times that Lord Kearton had misinterpreted the reasoning behind the tax structure. The 175 per cent. is to offset high interest charges on the big capital projects. The use of tax credits to assist neighbouring development—a normal trading position—was one way of stimulating exploitation of reserves, particularly marginally economical fields.

These comments and counter allegations, all made within the past fortnight, are chronicled merely to illustrate the tension that still exists between the private oil sector and BNOC, now two and a-quarter years old. Perhaps this is one reason why senior officials within the Department of Energy are holding a series of confidential meetings with oil companies to evaluate their working relationship with the State corporation. For there can be no doubting that under the present Government the public and private sectors will have to work much more closely together. The licensing announcement by Mr. Anthony Wedgwood Benn, Energy Secretary, on Wednesday underlines this fact. The sole purpose of the package is to provide the State with a bigger stake in the North Sea and other exploration areas.

So, for the first time, BNOC is being given the right of first refusal whenever changes in licence partnerships—formed under the first four licensing rounds—are proposed. However, the conditions applied to this special privilege are not as onerous as many private oil groups had feared.

BNOC was hoping that it would be financially carried through during the exploration stage of any newly reformed licence group. This would have given the Corporation two big advantages. First, it would have been able to gain a stake in any licence partnership whenever one of the partners wanted to dispose of its interest. Second—and this proposal really angered oil companies — the remaining partners in the reformed group would have paid BNOC's share of exploration costs. The Department of Energy has now decided to drop the second condition and provide a modification to the first.

Under the terms announced by Mr. Benn, private oil companies will be allowed to arrange the transfer of licence interests among themselves if "meaningful" fully commercial discussions with BNOC break down or if the Corporation refuses the offer of a licence stake. The industry cannot really complain about that arrangement.

But it has cause to question the fairness of the special award of production licences to BNOC and the British Gas Corporation. Private companies may have to wait several months to know the whereabouts of the 40 new blocks that are to be offered to them in the sixth round of licences. In the meantime BNOC and British Gas can begin evaluating the ten production licences that have been reserved for them.

Control

The issue of one block to British Gas is unlikely to cause much of a stir. Through past licensing deals the Gas Corporation has managed to take control of exploration activity in the Irish Sea. It has now been awarded block 113/25 in the area, very close to its promising Morecambe Gas Field.

BNOC's accumulation of nine full blocks is much more interesting. Some of these concessions are in virgin exploration territory—such as the South Western Approaches and the northerly North Sea quadrant 208. But others are very close to known producing structures.

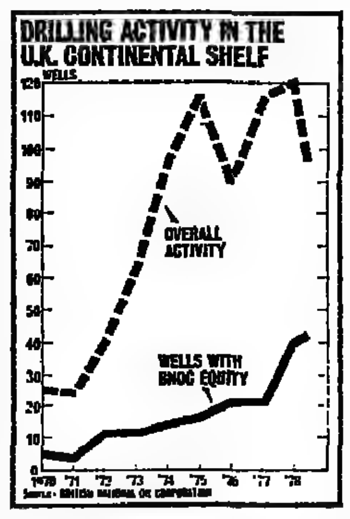
The Corporation's own exploration department has described the West Shetland area as one of the most exciting prospects on the U.K. Continental Shelf so it is not surprising to see three of the nine blocks allocated in this sector. Two of the three, 205/10 and 206/6, might well have been keenly sought after in an open round of licensing because both are very near to British Petroleum's recent discovery. In the North Sea, block 15/6—north of the Claymore/Piper/Tartan complex—and blocks in quadrant 29 and 31, must also be regarded as attractive.

Energy Department officials point out that BNOC did not receive all the blocks that it wanted. Private oil companies have been told that it is not government policy to reserve the cream for the State corporations.

Confidential

Even so, a suspicion exists within the established offshore industry that BNOC might be using confidential geological information, gained through its growing list of State participation deals, to support its applications for sole licences.

What is more, there is concern that BNOC could use the information to frustrate the development plans of the private sector. Here is how it might work: A consortium makes a discovery in block A but finds that the producing structure extends into adjoining block B. In the past the group would have told only the Energy Department, keeping the information a commercial secret so that it could bid for block B in a future licence round. Now there is a fear that BNOC, armed with all the information at its disposal through participation, will collect block B and others like it. In this way it would not only control the speed of oil exploitation in its own block—perhaps desirable in the interests of a national depletion policy—but it might also influence the development programmes in neighbouring blocks; those like block A.



This is not a hypothetical case for there are many structures and fields that cross boundaries between one block and another, in some instances between one national territory and another. But it does demonstrate how BNOC's roles as a monitoring and advisory agency and commercial undertaking might be in conflict at times.

On the other hand, the private sector should recognise that this dual responsibility could act in their interest. As a licence operator, with a significant equity stake in several existing concessions, BNOC is obtaining first hand knowledge of the problems associated with field development programmes. The Corporation, which has just brought on stream its Thistle Field, now knows all about the headaches of commissioning large platforms in winter storm conditions. It has experience—both good and bad—of British industry's ability to supply equipment and services in the North Sea. All this should help the Government and the oil industry to work out rational procurement policies.

The Corporation's growing experience as a crude oil producer and trader might well support the offshore industry's view that Britain's oil disposal and refinery policies should be flexible. BNOC knows as well as the private companies that adherence to a rigid policy of refining two-thirds of North-Sea crude oil does not make economic sense in present circumstances.

The message seems to be getting through to Mr. Benn, who is under strong union pressure to adopt a strict two-thirds for-the-U.K. rule. He said this week that State participation agreements with oil companies (49 have signed so far) enabled the question of where the oil should be landed and refined to be tackled on an individual basis. Oil companies, Energy Department officials and BNOC seem to be discreetly working out ways of handling U.K. crude which protect the national interest, but which also recognise the value of the premium oil to the international market.

There is a third area where Sir Denis Rooke, chairman of British Gas and a member of the BNOC board—and Lord Kearton—have been working in harness with the private sector to tackle a particularly knotty problem: the question of a North Sea gas collection system. The State corporations have proved to be as commercially hard-headed in their gas collection studies as are the private companies.

The Gas Gathering Pipelines (GGP) study company, embracing the public and private sectors, has just presented its final report to Mr. Benn and it will be interesting to see if the organisation is retained. This is because much more evaluation work needs to be undertaken.

New pipeline

What has emerged is that the case for a new £5bn. pipeline network favoured by some Ministers cannot be supported with known gas reserves. It is understood that GGP has told Mr. Benn that a new gas trunkline system could be considered only if a new large gas field is found (and this is a possibility) or if some joint arrangement could be reached with Norwegian gas producers. It is unlikely that operators of Norwegian fields would allow their gas to be transported to the U.K. unless a pipeline is built across the English Channel to carry the fuel into the higher-priced Continental market.

For the time being GGP has accepted the need for several spur lines—costing between £250m. and £500—to transport associated gas from a number of oil fields to the Frigg and Brent trunk lines and thence to St. Fergus, Scotland.

But this is easier said than done. Gas which might be carried through the new spur lines is, in some cases, of far different quality and character to the gas going through the Frigg line and planned for the Brent line. It may be, for instance, that partners in the Frigg Field development will have to set aside part of its trunkline system (luckily it is a dual line) for the transport of new gas produced in association with oil. At least Total and Elf, leading partners in the Frigg development and members of GGP, have had an opportunity to help to formulate proposals alongside BNOC and British Gas. BP, which is sceptical of the Magnus Field to the Brent pipeline system, has had an early opportunity to put across its views. It, too, is a member of GGP.

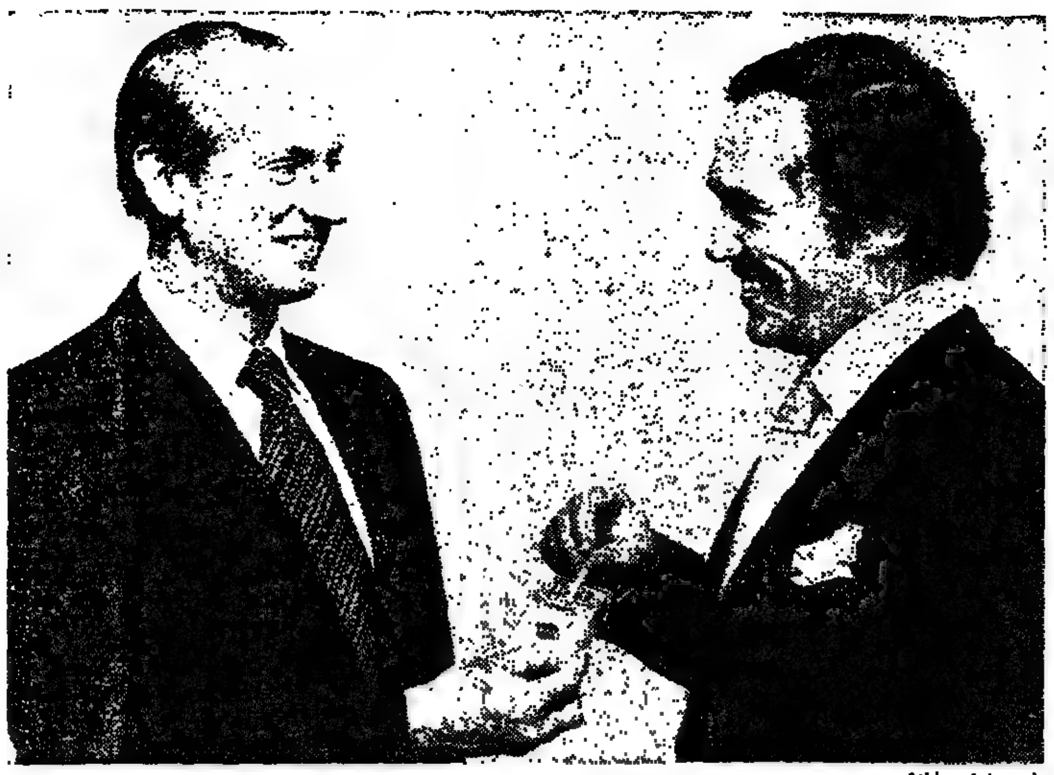
It could be several years before a full-scale, integrated gas collection system is developed in the central and nothern parts of the North Sea. What seems certain is that either BNOC or British Gas will be involved. Like it or not, the private sector will have to accept an increasing State involvement in its offshore affairs.

Sales war in which only the smoker will rejoice

WHATEVER the Chancellor has in store for smokers in his Budget next Tuesday, cigarette manufacturers are gearing up for yet another long hot summer of price cutting which should at least benefit the consumer even if it does little to enhance profits.

The launch in May by BAT Industries of its State Express range will be one of the biggest seen in the U.K. and is on a par with the $40m. send-off given in the United States by Philip Morris for its big-selling Merit brand. The £5m. promised by BAT is the equal of that, given that the U.K. is only one-quarter the size of the U.S. cigarette market.

Nor will that be the end of it. BAT has already promised further brand launches within three months and, although these may not be so expensive, they will add to the push being made by the company to stamp its identity on the U.K. market.



Ashley Ashwood

On the eve of a big sales campaign that will stir up the home cigarette market, BAT's British leaders relax. Mr. Stewart Lockhart (left), chairman, U.K. and Export, offers a cigarette to Mr. Gordon Watson, director, U.K. Market.

Rapid fall

Big launches have been made before and have often failed. In the tobacco industry perhaps only one in a hundred new brands is a major success, but unless State Express is a complete flop, its very presence could give a major jolt to an already rapidly changing market.

The king size sector is now estimated to take about 50 per cent. of the market and this could rise to 80 per cent. by 1980.

Tax harmonisation and diminished price differentials have led to an accelerating decline this year in the sale of small cigarettes, and this latest notice of battle could sound the death knell for the multiplicity of cigarette sizes peculiar to the U.K.

But while Imperial, through John Player King Size, Players No. 6 King Size, and Embassy No. 1, and Gallaher, which has the number one seller in Benson and Hedges Gold Filter, have established themselves in the newly-shaped market, both have complained that profitability has been severely squeezed by price-cutting.

BAT readily admits that it will not make a profit for some time to come in the U.K., though it will be helped by having negotiated advantageous manning agreements with the unions before installing the most modern cigarette-making machines at its Southampton and Liverpool factories.

One of the reasons for the heavyweight approach by BAT, an approach that immediately wrung a howl of protest from Mr. Mike Daube, director of Action on Smoking and Health, is that there is a threat hanging over the tobacco industry of a ban on advertising.

ASH itself is one of the principal evangelists, having already called for such a ban, except for point of sale, at the end of the present agreement between the industry and the Government on advertising.

That has two years to run and, while many in the industry are sceptical about a ban, especially if there were to be a Tory government, if it were to come about then changes in the market place would become very slow. So BATS is making hay while the sun shines, and if there are more good summers after that then so much the better.

At the point of sale BAT has indicated there will continue to be a battle royal for space on the retailers' shelves. While this will offer the customer further opportunity for price cuts, the discounts offered to retailers plus money to put up advertisements and give a minimum shelf display have led to angry exchanges between leaders in the industry as well as running battles between rival product representatives.

News Analysis—BAT's British Launch

BY STUART ALEXANDER

Reaction to the BAT initiative may be on a highly selective basis with manufacturers promoting heavily those brands which are already successful in a particular area, while rolling with the punch in others.

BAT hopes to have about 10 per cent. of the market in five years. At the present rate that would mean sales of about 1bn. a month, the level claimed by Rothmans, including Piccadilly and Dunhill, but while Imperial appears to be the obvious target BAT is unwilling to speculate on who would be the biggest loser.

After a shaky start Imperial has strengthened its position, and though its market share is down from its almost traditional 66 per cent., it has recovered to 60 per cent. after having dropped into the high fifties for a time.

Mr. Healey may, in the end, hold the key. An increase in duty on cigarettes next Tuesday would come as no surprise

ASH claims that the health message is getting through—recently it produced figures to show that 60 per cent. of smokers wanted to give up the habit—but admits that price is one of the biggest deterrents.

But BAT is not a company that would normally take on a very difficult project like the U.K. market if it were not willing to take a long-term view.

A total investment of "tens of millions" is based on two years of careful market research and worldwide expertise. The company has shown it can stick to a difficult task—the rationalisation of International Stores—and it has a range of brands and a wealth of technical know-how, for instance in flavour-boosted low tar cigarettes, on which to draw.

The gladiator has at last entered the ring and is beating his sword on his shield. The balance between victory and the preservation of profits is the strategic problem.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SECURITY

Explosives detector

USING an operating principle not before employed in an explosives detector, Pye Dynamics has built a new detector system to match most needs.

It is simple to operate and almost any lay person, from secretaries, post room operatives and night watchmen to trained security officers, policemen, special anti-terrorist organisations and Army personnel can use it. No training is required to operate the equipment and no complex day-to-day maintenance is necessary.

The PD 3's principal advantages are that it requires no auxiliary gas supply and contains no radioactive components. This is a major technical advance in this field and is destined to make an important contribution to first-line defence against terrorism.

The development of the PD 3 follows the introduction by Pye Dynamics of the PD (military) and the PD 2 (commercial) explosives detectors. The PD 1 has the distinction of being the only detector to be allocated a NATO number and was produced for the British Army and other NATO armed forces.

The PD 2, the first man-portable commercial detector contained in a briefcase, has had good market acceptance and is in current use with many Governments, security organisations, airlines, airport authorities, Police, etc., worldwide.

The PD 3 is suplied in a briefcase complete with battery charger with cable, spare battery pack, earphone, interchangeable probes, test sample in container, first line spares kit, cleaning tools and instruction handbook.

Pye Dynamics Ltd., 459 Park Avenue, Bushey, Watford, Herts. Watford 25566.

● INSTRUMENTS

Finds the flaws

A COMPACT, large display battery-powered ultrasonic flaw detector designed for general-purpose work is aimed at portability with more effective presentation.

The unit has a contour control which smooths the trailing edge of a flaw echo displayed on the CRT screen without affecting its amplitude. This helps to control the extent to which the individual half cycles on the echo edges can be seen, thus "smoothing" the contour of the echo when testing with low-frequency probes on coarse-grained material.

The UFD3A has a large, bright display and directly calibrated range and delay controls. Separate probe zero control; linear and logarithmic presentation; short pulse; and grouped controls for rapid familiarisation are also provided.

The UTG5A is unique in that it is compatible with many ultrasonic probes. Some metrology instruments will operate only with single stand-off probes, other gauges only function with double probes and some thickness metres require special probes which are costly to obtain and repair. However, this unit can be used with either single or double probes, with either contact or stand-off probes and with probes ranging from 1MHz to 20MHz. In many instances, standard probes can be employed.

The instruments will operate upon many materials through which ultrasonic pulses can pass within a velocity range from 1,500 to 11,500 metres per second. This includes all engineering metals and plastics, ceramics and glass. The four-digit liquid crystal display shows readings from 0.000 to 9.999 inches and from 00.00 to 99.99mm.

Balteau Sonatest, Old Wolverton Road, Milton Keynes. 0908 316 345.

● HANDLING

Crane height lessened

MAJOR BENEFITS offered by Street's V low headroom crab unit are its compact construction and low headroom design, so that for a specific rating and height of lift, the overall crane height can be reduced.

Designed with the objective of reducing maintenance, all bearings are grease packed and sealed for life, and all wiring runs inside the frame, thus giving protection from accidental damage.

The new slimmer crab can be brought very close to the side of a building, even where headroom is limited, giving good coverage of the factory floor area. Virtually any height of lift can be accommodated with the crab which is produced by Street Crane Company at Town End Works, Chapel-en-le-Frith, Derbyshire. 029 881 2456.

● COMMUNICATION

Automated telex for small users

MESSAGE SWITCHING is the technique of routeing written (telegraphic) messages by means of information held within the message, and the corresponding switching systems operate on "store-and-forward." They are retained in memory and transmitted according to order of priority as soon as the logic of the switcher detects that the wanted terminal is free.

So far, these computer controlled message switching devices have been relatively expensive and limited in use to the larger groups. Now, ITT Business Systems has come out with its ADX 6100 which, it believes, will open up this attractive communications technique to many more companies down the scale.

Like other ADX units, the new machine will use low-cost leased telegraph channels to provide a service which, on the basis of experience with its larger forerunners, will cope with a traffic increase of typically 12 per cent. a year while providing a reduction in operational costs.

The unit can cope with 12 to 16 telex lines, will log all outgoing and incoming messages and their relationship with one another and has a semi-automatic routeing facility for cases in which switching cannot be automatic.

Some 150 ADX units made by ITT are installed world-wide.

More from ITT Business Systems 0273 507111.

Copes with all radio tests

SEVEN DISCRETE instruments are combined in the TF2952 radiotelephone test set put on the market by Marconi Instruments of St. Albans.

The rf signal source covers 400 kHz to 520 MHz with am and fm facilities and a stability of 0.5 parts/million over 30 minutes. A separate modulation meter provides accurate measurement of amplitude, frequency and phase modulation.

Other instrument sections are an audio generator with six fixed frequencies between 300 Hz and 6 kHz and two variable ranges, an audio voltmeter measuring up to 30V, a distortion factor meter, rf power meter and a frequency counter through which signals from the audio generator, and the rf input, are automatically routed.

The test set is intended for maintenance of all radiotelephones in the vhf and uhf bands, marine, land and airborne.

Moreon St. Albans 59292.

● DATA PROCESSING

ICL super-computer

AMID THE spate of computer announcements of the past few weeks, yesterday's disclosure by ICL of the ill-kept secret that it had developed and was operating a different type of computer from those in use at present could easily go unnoticed.

But this unit is something known as an array processor which in simple language means that it can split a problem up into many parts—1,024 to be precise—and solves each part problem simultaneously at electronic speeds.

The obvious inference is that suitable problems will be solved at speeds between 10 and 1,000 times faster. However, the selection of the problems that can be easily handled in this way is something that the experts are only just learning about.

Nevertheless there is so much world interest in the potential of array processors that ICL has been given Department of Industry support for the development of the unit which has been up and working in pilot form since 1976.

It is based on a concept by Dr. Stewart Reddaway working in conjunction with Mr. Gordon Scarrot.

The equipment ICL is operating can carry out 500m. instructions a second, taking advantage of the fact that its 1,000 tiny processors are fast and are placed very close to their associated stores. In fact, it functions as part of a memory of a conventional machine.

The array approach was first conceived as a means of solving big 3-dimensional problems of which weather forecasting is a particularly different example, but it is applicable in oil exploration, nuclear power work, air traffic control, memory management and in various aspects of military operations.

New languages are being developed to handle this unit including a version of Fortran.

A 64 squared processor with 4 times as many elements is to be delivered to Queen Mary College in London in the first quarter of next year. This will have five times the performance of the Illiac IV which is a Burroughs array processor operating at the University of Illinois in the U.S. and three times that of the Cray 1, until now the most powerful machine ever built. In some instances, the Queen Mary unit will be as much as 1,200 times more powerful than an IBM 145.

Queen Mary College will use this array in conjunction with a large conventional machine and will become the world's first experimental centre for such work.

Marketing policy concerning the machine as described by Dr. Peter Ayllett appeared somewhat tentative. But ICL certainly intends to develop and exploit it initially and addition to its own big machines.

Because it was a relatively simple approach to the supercomputer where so many companies have come to grief, Ayllett indicated that the array processor could take ICL into this sector of the market with relatively minor outlay.

IBM is known to have been working on such machines for some time as have Univac, Burroughs and Honeywell. The key to the future may well be in the software developed by ICL around this equipment.

However since most U.S. computer companies privately agree that Britain has the edge in software innovation, ICL may have an ace in its hand.

Dr. Stewart Reddaway with pilot model of the array processor.

● RESEARCH

Aiming for a better tape

ALL MAGNETIC tapes are abrasive, and cause wear of recording beads. Considerable variations in head wear have been observed, especially since the advent of high-coercivity tape formulations and in severe cases a ten-fold reduction in head life can occur.

With expensive recording beads it is particularly important to avoid using tapes of unnecessarily high abrasiveness.

Such tapes can now be readily detected using a sensor developed at the Fulmer Research Institute under contract from Government departments.

A new stage of this work has now started with support from tape manufacturers and users together with the Computer Systems and Electronics Requirements Board of the Department of Industry.

The aim of the project, which is planned over the years, is to understand the factors which cause tape to be abrasive. This will help U.K. tape manufacturers to make tapes of consistently low abrasiveness, thus improving their competitive position. Users of tapes will also benefit from the project whose industrial backers are Control Data, EMI Tapes, ICI (Plastics), ICL and Racal Zonal.

The study includes determination of the abrasiveness factor of tapes currently available; characterisation of the physical and chemical properties which influence abrasiveness, using a range of analytical and surface sensitive techniques; and recommendations for tape formulations.

Fulmer Research Institute, Stoke Poges, Bucks. SL2 4QD. Fulmer 2181.

● METALWORKING

Production costs cut

FORMFLO of Cheltenham, now part of Metal Box, has launched a machine for producing annular blanks from tube with a claimed saving of up to 50 per cent. on material costs. The extra economy is reached by replacing the conventional part-off blade by free rotating discs which are powered into the tube and displace rather than cut the material which is shaped into the required size of blanks for subsequent cold roll formin gof bearing races.

The machine copes with tubes ranging in outside diameters from 25mm to 89mm producing blank widths from 8mm to 32mm; floor to floor time starts at about seven seconds on the smallest rings.

Compared with other manufacturing methods in the motor industry the machine in combination with other race rolling machines provides a system for the production of bearings which give substantial cost savings, says Formflo, but it is anticipated that it will also have many applications outside the bearing industry where there is a requirement for annular blanks made from tube.

Ford Motors has boosted Formflo's confidence with orders worth £5½m. for six rolling gear complexes to be installed at Ford plants at Cologne and Halewood. The three units destined for Germany will be delivered during December and the Halewood lines in March of next year.

● COMPONENTS

Pumps for chilled water

NINE MODELS make up the range of in-line accelerator pumps specially developed by Grundfos Pumps for chilled water and medium temperature heating installations. The range, in single and twin head construction provide three, six and 12 metres head performances against flows up to 265 gallons a minute.

High efficiency stainless steel impellers are fitted as standard and allow rotating mass. The impeller mounted on a stainless steel stub shaft is inherently balanced and gives quiet, vibration-free running. The glanded construction enables the motor pump head and complete rotating assembly to be removed at any time without disturbing system pipework. As the shaft seal is self-adjusting and the pump motor bearings sealed for life, routine maintenance is reduced to minimum.

Details of the entire range from Grundfos, Grovebury Road, Leighton Buzzard, Beds LU7 8TL. 052 53 4876.

● MATERIALS

Insecticide has long life

A MAJOR advance in the development of residual insecticides is claimed to be marked by the introduction of a long-acting, biodegradable insecticide by the Industrial Pesticides Division of The Wellcome Foundation.

Wellcome "Coopex" is stated to be active against a wide range of insect pests, but unlike previous insecticides of this type produced by the company, it is stable in light and can give protection for at least four months.

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More details of this new insecticide are obtainable from Wellcome Industrial (Pesticides), Ravens Lane, Berkhamsted, Herts HP4 2DY (Berkhamsted 3333).

Low cost coating

ALTHOUGH epoxy floor coverings are acknowledged to be pre-eminent as floor surfaces because of their combination of good adhesion, durability and resistance to a wide range of chemicals, theri use has been restricted by their high cost.

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Capital spending under a microscope

Nicholas Leslie looks at several company case studies produced this week by the CBI to support its view that governments expect industry to react too quickly to new legislation

IT WILL have taken six and a half years for Reckitt and Colman's new pharmaceuticals factory at Hull to progress from being merely an idea to coming on stream if the factory goes into production later this year, as planned. This period could have been reduced to four or five years "under *stable economic* conditions," according to the CBI case study on the company.

Since the project was started, legislation which influenced the very structure of the group has had to be taken into account. Delays have also been encountered; the major hiccup arose from the company's own decision to halt construction of the factory for a while because of the deteriorating economic climate. On the other hand, the company has benefited from Government grants, although they were not the deciding factor in favour of the project, merely an influence on its timing.

The project was of major significance to the company—it was regarded, the CBI survey says, as "probably the most important single development in Reckitt and Colman activities worldwide—featuring significantly in the group's long run development strategy as potentially a major growth area with high profitability."

The project was also regarded as being more than just the construction of a factory. It related "more to the decisions regarding the development of an area of business internationally: in fact it relates to the establishment of a worldwide division."

Reckitt's pharmaceuticals include such branded products as Dettol, Disprin and Lemsip, together with other analgesics, as well as laxatives. Up to the late 1960s these activities formed part of the group's household and toiletry division—but changes were in store.

First, McKinsey and Co., the management consultants, were called in to review Reckitt's organisational structure. They recommended a divisionalised framework, including pharmaceuticals as a separate division. The CBI's study states: "The 1968 Medicines Act also placed new demands on manufacturers of pharmaceutical products and this also provided an incentive to bring together the production of the group's pharmaceuticals. . . under one divisional management."

However, complete separation did not come until 1972, after the full potential of pharmaceuticals—at that time a relatively minor activity of Reckitt's—had been recognised by the company and the long-run implications of the Medicines Act (it became operative in 1970) had been examined.

In view of both the CBI's remarks about the effects of legislation on lead times and the growing opinion that greater flair and initiative by management—particularly in large companies—would benefit industry, it is important to note the main motivations behind Reckitt's project. According to the study, they were, first, the new regulations imposed by the 1968 Medicines Act and, secondly, the "strong entrepreneurial stand of the divisional and main Board directors interested in developing the pharmaceuticals side of Reckitt and Colman's business."

Divisions

It was not until a feasibility study of the production and machinery facilities for Reckitt's pharmaceutical and household products had been completed that the company finally committed itself to dividing the activities into separate divisions and to establishing new production facilities for pharmaceuticals.

From 30 possible projects, two were considered most feasible. The first envisaged construction of a new factory in Hull designed to take the division well into the 1980s. The second entailed a phased building programme based on an extension to existing facilities in Hull: the first would be a warehouse and "wet" products plant, and the second a "dry" products plant.

At this point it is worth relating how Reckitt's capital expenditure planning is undertaken, since it obviously influences the "if, when and how" of any project. As is shown by the CBI studies of Reckitt, and several other companies, approaches to capital expenditure planning vary enormously.

Reckitt sees itself largely as a marketing-oriented company. As a result, total capital expenditure in 1975, for example, was £15m., whereas marketing spending was "two or three times" this amount. Even so, the figure of £15m. was at a time of "significant development," and therefore much higher than had been committed before.

Distinction is then made between: (a) expenditure which is essentially designed to maintain/improve ongoing business (classed as ordinary expenditure); and (b) one-off expenditure, usually on major projects which are unlikely to be repeated for some time (abnormal expenditure).

Operating divisions in the U.K. are expected to finance normal expenditure internally, by means of profit generation and overdraft facilities agreed with the group. Abnormal expenditure projects are financed by loans from the group to the division, which pays interest to the group on the loans.

In contrast with many companies which favour five years, Reckitt operates under a three-year plan. This includes capital expenditure and is submitted to the main Board each September. It is a detailed plan, with each division making its own contribution, and it essentially determines the level of normal expenditure. Abnormal expenditure, though included in the plan, requires more detailed appraisal by the Board prior to authorisation.

Many capital projects do not require main Board approval at all. Each divisional managing director has discretion up to £100,000 per project, provided it is incorporated within the three-year plan. Amounts of up to £250,000 require the authorisation of the group director and, above that, the group chief executive; the chairman or the main Board give the *final* decision.

The pharmaceutical project highlighted in the CBI case study fell into the latter category—total capital expenditure planned to date has *reached £7m.* When it came to deciding between the two options, the pharmaceuticals management, favouring the completely new factory, found itself out of line with the main Board, which preferred a phased programme. The second option got the go-ahead.

The main reason for the Board's choice was the "considerable degree of uncertainty." If a cutback of pharmaceuticals development proved necessary, the phased plan offered greater flexibility "for coping with unforeseen events and market trends."

A common factor with both options, however, was that production facilities provided for much larger batch sizes, as well as the introduction of new technologies and, where desirable, changes in plant design. This offered greater operational flexibility.

Options

This is significant, given Reckitt's experiences in the past. It was noticeable, says the CBI study, that among the entire 30 options considered, several related to modifications of existing facilities, both to cope with existing production volumes "and meet the requirements of the Medicines Inspectorate which had made some harsh statements after its inspection in May, 1975."

Authority was given in 1974 and 1975 to proceed with various phases of development at Hull. There were no problems with the planning authorities, which were "extremely co-operative" in helping to improve what was previously a slum area of the town. Reaching agreement with many different owners of small parcels of land was, however, a lengthy process.

By the end of 1974 about £600,000 had been authorised to improve existing line machinery, pending completion of the new factory. The sum also covered site works, piling, and other work. In mid-1975, when a further £200,000 had been authorised and spent for the building's steel structure "a complete halt was called upon expenditure due to the economic crisis being faced in the U.K., says the study.

Pharmaceuticals division management was also told that the group was in a "very tight cash situation" and consideration was even given to cancelling the project. In September, though, it was decided to continue and the bulk of expenditure was eventually authorised *in May, 1976. A further £0.5m.* was later sanctioned to reinstate a marshalling bay which had been deleted from the plan in 1975-76.

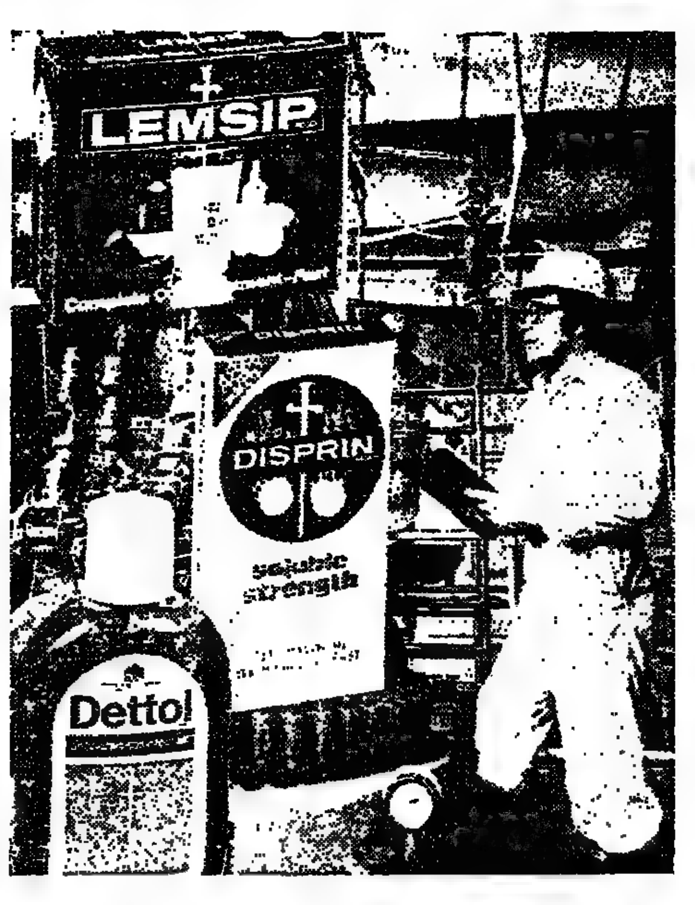
Phase one of the project is now expected to be complete this year with phase two due for completion by the end of 1979—assuming it proceeds and there are no further economic crises.

The *effects* on the company of a deterioration in the general economic situation are highlighted elsewhere in the Reckitt case study. In times of financial constraint, as in the past *four* years, divisions are asked to cut back expenditure by observing tighter overdraft limits. *Divisional managers are* given discretion over whether they cut back on either capital and/or revenue spending. It is, says the report, "the small capital projects and, to some extent, pilot stage research and development expenditure which normally suffer in this situation."

Reckitt acknowledges the benefit of a Government regional development grant (20 per cent. of the allowable cost of the building), but stresses that the long-term viability of the project did not depend on it. The project would have been delayed, not abandoned, without it. The group should also receive £225,000 interest relief for accelerating the project, but even here Reckitt corporate executives make the point that while the relief encouraged the company to bring the project forward, as the legislation intended, "it does not create new investment."

When asked what the government might do to encourage them to invest, the pharmaceutical executives put forward what are already well-aired proposals. The essence of their reply was that "general economic stability and lower inflation and release from price control" would be major incentives.

At the same time, though, they questioned whether the country might not benefit more if resources being taken up to comply with government legislation were re-directed into research and development. They estimated that the pharmaceuticals division alone spent over £1m. complying with social legislation in 1976 — a continuing annual commitment and a figure equal to about half of Reckitt's total group research and development budget in 1976.



How TI spent on 'superplastic'

IN CONTRAST to Reckitt and Colman's experience, Tube Investments's four-year project involving development of "superplastic" (stretchable) aluminium alloys as an alternative to plastic went more or less according to plan, with little outside pressure being felt. None the less, the TI case clearly serves the CBI's purpose of illustrating how Government economic policy can affect industry's willingness to invest, since the company found that the timing of its launch coincided with the 1974 depression. The consequence was that initial profit forecasts were not met.

The project was "not a typical form of investment for TI," says the CBI study, since it was an entirely new innovation, whereas most of the company's capital investment is for replacement, modernisation or extension. It was also very small in relation to total group activities and financial commitments, although the precise cost of the project is not disclosed.

It was not, though, the first time TI had had a stab at capitalising on a known principle. Superplasticity has been known of since the 1930s and TI began development work in this area in 1966. After two years' work, however, no major contribution to understanding superplasticity had been made. But at the end of 1968 there came a Press announcement that Pressed Steel Fisher, a major customer, was considering a competitive alloy for use in motor car bodies.

Says the CBI study: "This, together with an increasing awareness that any further work could only be justified if the project's objectives were directed to more practical ends, brought a key meeting between TI Research Laboratories and research and development personnel from the aluminium division of TI."

This, and a further meeting, led to research being concentrated on high aluminium alloys. Six months later sufficient progress had been made to warrant another meeting between TI Research Laboratories and British Aluminium's research laboratories (also part of TI). Consequently a programme of joint research was undertaken. Eight months later the first provisional patent application for superplastic aluminium was made.

By March, 1972, the first factory-produced sheet was available. The following January a working party of six senior TI Group managers was set up, its objective being to establish within six weeks whether and how superplasticity should be exploited.

Its two main recommendations were (a) that a team leader be appointed to direct the project, and (b) that technical effort be reduced to the minimum practical level, that priority be given to obtaining commercial and marketing information and to establish the competitiveness of a variety of superplastically-formed components compared with those made from other materials.

The report was completed by September, 1973, and by July, 1974, premises had been obtained, with the first forming machine starting production at the end of that month. Despite initial marketing problems due to the economic recession, the company (when the CBI study was being prepared last year) remained convinced that initial disbelief in the marketplace that superplastic forming was possible was being overcome and that opportunities offered by the product were being recognised.

Concorde and chips

Dunlop. Project: Development of a carbon brake for Concorde: 6½-year lead time. "Throughout the whole of the development of the project lead times were overwhelmingly connected with technological factors. There were no problems with financial constraints . . . no problems with work force factors . . . nor were there problems connected with staff or with central or local government." The company "does not have a group view about the acceptable time lags between the start and completion of innovative investments, because they vary so enormously from division to division and from project to project."

Unilever. Project: Introduction by Birds Eye of electronic sorting of chips: 1¾-year lead time. "The last few years have seen a greater interest proportionally in process investments and cost saving projects: previously the overwhelming emphasis had been on volume growth." The company believes "that normally its capital proposals should be attractive propositions even without taking government assistance into consideration. Nevertheless, Government assistance has made some proposals more attractive." The project "turned out to be better than planned . . . overall, the project offered a good return on capital, and achieved a pay-back in a little over two years."

LOMBARD

A footnote on money supply

BY ANTHONY HARRIS

THE CITY is going through one of its recurrent bouts of worry about the money supply at the moment, and anyone who joins in the debate does so at his peril. Certainly my own contribution in Thursday's FT has already attracted a certain amount of what is politely called comment—enough, at any rate, to convince me that the worries which others have expressed deserve further consideration. A footnote to a footnote, perhaps; but the subject matter really is important.

The subject of argument is whether and how far it matters that almost any measure you choose to take of the money supply other than the M3 measure which official monetary policy tries to control suggests that there has been quite a liquidity explosion in the last year; and straight away I owe an apology to readers. The very rapid growth of M1, the narrow measure of the money supply, and probably of the broader measures too, is still going on. The suggestion in my chart yesterday that M1 growth would be checked in March was due to a slip of the pencil.

The basic position, then, is that although everyone seems to agree that continued achievement of official monetary objectives is perfectly possible, even with a somewhat expansive Budget, this has not so far checked a very rapid growth of liquidity in other forms. The basic questions are why this has happened, whether it can be stopped, and how much it matters.

There are two quite different ways of approaching this question. The rapid growth of both M1—notes and coin and current accounts—and to a lesser extent of broad liquidity, which includes things like building society deposits, for a full year past can either be read as a warning, or as an illustration of the nature of the different measures. Greenwells, for example, have treated the numbers as a warning (and they are quite explicitly concerned with the long-run trends rather than any short-term wobbles). M3, they argue, is understating the growth of liquidity, and that means trouble in controlling M3 itself before too long. In other words, official policy is based on a distorted measure.

It is easy enough to find hard facts to make these statistical worries concrete. One cause of the growth of M1 is the sharp rise in the demand for notes and coin—an indication of the size of the "black" tax-evading economy. This suggests that activity is rising faster than the official figures suggest, because it is in an under-the-counter form: but it will still increase the demand for money. This in turn means that official policy is a bit more restrictive than it looks.

Again, another cause is the rise in company liquidity. The difficulty here is simply that companies don't buy gilts, and the sale of gilts is the basic method of mopping up surplus money. This again is a warning of difficulty in achieving what looks on present trends a relatively problem-free monetary objective.

The rise in net building society deposits conveys another warning. Building societies take in money, and for a time invest it in Government stock; and this for a time gives the authorities a misleading picture of their success in funding their own borrowing. Then the money goes out. Government stock is sold, and the money supply tends to shoot up. This is especially liable to happen after a long period of falling interest rates, and if sterling is strong. In this respect the Greenwell parallel between recent events and those of 1972 is disturbingly apt.

However, the trouble with special factors is that one can easily fail when one is searching for them, to see the wood for the trees; and the wood still consists of the same old fundamentals. Money can only be created by bank lending or a foreign inflow; and when one remembers this, the worries seem to be about the past or the distant future rather than next year.

In the recent past a strong foreign inflow has left cash in the hands of companies, which will not assist the Government's funding efforts; and the building societies have bought Government stock which they will not hold for long. But these aberrations should very soon be worked out of the system. The damage implicit in the foreign inflow has already been done: companies flush with cash have been more permissive about wage claims than they should have been. The building society problem is now visible in a sticky gilts market. These results are already visible in the indices of wages and Government stocks; I suspect that the monetary alarmists have been overtaken by their own forecasts.

The one thing that M3—a good bank credit proxy—does reassuringly and rightly say is that no explosion of bank lending is likely for some time to come. If this is right slack lending and the end of inflows will bring other measures into line with M3; but controlling M3 may remain quite difficult for a few months yet.

AROUND BRITAIN

NEB PROGRAMMES

Keeping the cash out of the colanders

BY ANTHONY MORETON

ON TUESDAY the National Enterprise Board's North-West Office put money into Hird Brown, a Bolton manufacturer of photo-electric controls which employs 190. It was the office's fourth investment since it was set up two years ago. The Board's other regional office, in the North East, has made five investments. As a contribution towards solving the economic problems of their respective areas, which are suffering more than any other part of England and probably as badly as any other part of Britain outside the specialised problems of Northern Ireland, the record so far does not appear to be much to write home about.

The lack of action has drawn considerable obloquy onto the head of the NEB, particularly from Left-wing Labour MPs who consider it should be doing more to fuel the economies of their regions. Critics have been particularly vociferous on Merseyside, which has been particularly severely hit by the recent closures or cutbacks of Leyland at Speke, GCE and Lucas, not to mention the hastily-rescinded decision by Bird's Eye to sack 1,200 at its Kirkby pie factory. Public comment in the North-East has not been quite so strident, perhaps because its Labour MPs are not nearly so much on the Left of the party. But even there, disquiet has been aired over the role of the NEB.

The NEB is, however, working to guidelines laid down by the Government. Sir Leslie Murphy, its chairman, told Sir Harold Wilson's committee looking into the financial institutions, "we are aiming to achieve over a period of time something like a 15 to 20 per cent. return on capital employed." As Mr. Gerald Connolly, the NEB's North-East director, put it: "Many companies are not so much a pressure vessel for generating profits as a colander. We are looking for the former."

Investigated

"Pressure vessel" firms are not easy to find in the north of England. The North East office has had to sift applicants very finely to find its five companies, having seriously investigated over 60. In Liverpool, the North-West office has been even more meticulous, looking at over 130 cases. Offers were made to just over ten companies although some of these have subsequently been withdrawn. With a few more potential clients in the pipeline, Mr. Arthur Ward, the region's director, is hopeful that other announcements will be made before long. Taking England as a whole, this week's investment brings the total made by the NEB to 33 out of some 400 concerns investigated.

Mr. Connolly believes that the main problem with his North-East area is that it is largely populated by "slave" companies, which have been induced to set up operations there as a result of either direct Government pressure or indirect Government financial inducements. These rank low in a parent company's hierarchy and are largely run by lower-rank management—perhaps a works manager—so that when the economic winds blow cold, the first action of a head office somewhere in the South of England is to cut its losses and run.

North of the Tees there are probably only a dozen public companies which have their headquarters in the area, the largest of which is K Shoes in Kendal, a £43m. turnover company employing just under 6,000 people.

Such a problem does not exist in the North-West. Manchester has always been a bigger financial centre than Newcastle and there is still a sufficient residual base to the textile industry to give it a considerable number of public companies of standing. Littlewoods, Pilkington, Tootal and the Co-operative are household names and even the area's satellites, such as British Leyland, Dunlop, GEC, Unilever, Courtaulds, Ford, British-American Tobacco and Kodak are larger than Clarke Chapman or Swan Hunter in Newcastle.

Both Mr. Ward and Mr. Connolly agree that if they are to follow the Board's general principles then they have to look for the small to medium-sized firm, probably in manufacturing, to invest.

Slave factories

Mr. Connolly says: "The Government has attracted in slave factories, especially in the manufacture of suits and in telecommunications. But they are not instigators of anything and have suffered particularly from cheap imports." Mr. Ward adds: "The last two years have not been a time, anyway, when companies have wanted much new equity finance. In addition, there is still a lot of loan money floating about in the commercial institutions. This is why we have had such difficulty in finding a home for our resources."

One other difficulty is that the two boards try to avoid finding themselves in a situation such as confronted Mr. Connolly over Hivent, a Washington anti-air pollution equipment manufacturer. Last September the board put £104,000 into Hivent, partly on the basis of an outside report, but largely on the strength of the company's order book. On March 23 the directors declared the company insolvent and trading ceased.

The lesson of this, the Board believes, is that future investigations will have to be even more thorough, even more painstaking. One obvious corollary is that investments will be made even more slowly. So there will be more criticism.

The question that must be asked, though, is why these two regional Boards have had such great difficulty in finding investment opportunities when their counterparts at both the Scottish and Welsh Development Agencies have been almost profligate by comparison.

In Scotland the Agency has put £17.3m. into 30 companies and in Wales 46 companies have received assistance worth £6.8m. The Scottish average investment at around £550,000 is considerably larger than anything undertaken by either the Liverpool or Newcastle boards, with the exception of £546,000 put into Francis Shaw, a Lancashire rubber and tyre machinery manufacturer, although the Welsh figure of around £150,000 is not dissimilar to that of the English boards.

It may be that the Welsh and Scottish agencies have taken greater risks, spurred by the political needs of their countries and the possibility of both achieving some sort of devolved status. It may be that the two English boards have been more adversely affected by comment made by the Tory party which have indicated that they would stop the NEB's equity role. It has certainly been found that some potential customers of the NEB have kept at arm's distance because of this, a factor not evident in either Wales or Scotland, where political attitudes towards the agencies are softer.

Poor prospects

The difficulty about both the North-East and the North-West is that investment decisions are inevitably influenced by the poor prospects of the basic manufacturing industries, heavy engineering, shipbuilding and textiles. Both regional Boards, however, have mapped out alternative strategies; there is the offshore supply industry for the North Sea and tourism in the North-East office, and building and ports in the North-West. Common to both is the need to build up the small and medium-sized manufacturing industries.

Mr. Connolly freely admits that this is just nibbling at the edges. The politicians will seize on such an approach for their own ends. If the Boards are to fight them off they might live a little more dangerously. Perhaps, in the end, this means they will live a little longer.

Better Blessed is the pick

RACING

BY DOMINIC WIGAN

WITH SIX course winners in the 13-runner line-up, to-day's Hall Gate Handicap for three-year-olds and upwards should be the most interesting event on a far from inspiring Doncaster programme which has no two-year-old event.

The likely outcome is a closely-fought finish between Red Johnnie, one of only two course winners in the field to have run this season, and two representatives of other well-forward Newmarket strings—Michael Stoute's My Therapy and the William Hastings-Bass trained Better Blessed.

Better Blessed, a brown son of that successful sire So Blessed, could hardly have done better last season, and I hope that he can return as a winner.

DONCASTER

2.00—Sovereign Mercy
2.30—Padro
3.00—Peaceful River
3.30—Calisolon
4.00—Better Blessed**
4.30—Celtic Pleasure***

WARWICK

2.00—Fairbanks
2.30—Speedway Princess
3.00—Showpiece
4.30—Elfinaria*

Packaging group moves to expand

RALTON PACKAGING (U.K.), a member of the Swedish Citadellet industrial group, is to move its business from West Molesey, Surrey, to Swindon.

The company was set up a year ago following the success of a similar operation in Sweden, and growth in that time has necessitated the move.

Ralton, which polythene-wraps a wide variety of literature, is initially taking a 12,000 square feet unit on the Techno trading estate, but it is also negotiating for a £1m. development on the Groundwell Farm industrial estate. The company expects to be established at Groundwell by 1980.

The move is the latest by a number of companies which have chosen Swindon recently, including Lithorex, Empire Dairies, Kwik Save and the computer division of the House of Fraser.

TV/Radio

†Indicates programme in black and white

BBC 1

6.40-7.05 and 7.30-7.55 a.m. Open University. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 How Do You Do? 3.00 Ar Glawr. 3.30 The Sky at Night. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Dorothy. 4.30 Scooby Doo. 4.35 Crackerjack. 5.35 Ludwig.

5.40 News.
5.55 Nationwide (London and South East only).
6.40 Sportswide.
6.20 Nationwide.
7.00 Tom and Jerry Show.
7.10 Young Musician of The Year.
7.40 The Wonderful World of Disney.
8.30 Going Straight.
9.00 News.
9.25 Life at Stake.
10.15 Tonight (London and South East only).
10.46 Regional News.
10.46 The Late Film: "A Dandy in Aspic."

All Regions as BBC 1 except at the following times:

Wales—1.54-2.00 p.m. Tredwt. 5.55-6.20 Wales To-day. 7.00 Heddiw. 7.25 Cadwaladr. 7.30 Ar Glawr. 8.00-8.30 Young Musician of The Year. 10.15 Kane on Friday. 10.45 News for Wales. 10.46 Professional Boxing. 11.15-12.57 a.m. The Late Film: "Dandy in Aspic."

Scotland—5.55-6.20 p.m. Reporting Scotland. 10.15 Breathing Space. 10.45-10.46 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Gallery. 10.45-10.46 News for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) On Camera; Midlands (Birmingham) Bishop's Move; North (Leeds) Let The People Talk; North East (Newcastle) Friday North; North West (Manchester) Watchwords; South (Southampton) Ponderosa Country; South West (Plymouth) Peninsula; West (Bristol) The History Makers.

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School (as BBC 1 3.55 p.m.).
4.55 p.m. Open University.
7.00 News on 2 Headlines.
7.05 Indoors Outdoors.
7.30 Newsday.
8.10 Heads and Tales.
8.25 The Money Programme: Can We Afford the Self-Employed?
9.00 Pot Black 78.
9.30 A Tale of Three Cities.
10.30 Portrait.
10.55 Late News on 2.
11.05-11.15 Closedown. Michael Kilgarriff reads "The Castle" by Michael Roberts.

LONDON

9.30 a.m. Conquest of The Sea. 10.20 "Spaceflight LC-1." 11.20 Drive-In. 11.45 Beany and Cecil Cartoons. 12.00 The Learning Trade. 12.10 p.m. Daisy, Daisy. 12.30 Look Who's Talking. 1.00 News. 1.20 Help! 1.30 Beryl's Lot. 2.00 Money-Go-Round. 2.25 Racing From Doncaster. 4.15 Snacker. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames at 6.
6.35 Crossroads.
7.00 Comedy Classics: On the Buses.
7.20 Mixed Blessings.
8.00 Hawaii Five-O.
9.00 People Like Us.
10.00 News.
10.30 Police 5.
10.40 Within These Walls.
11.40 How to Stay Alive.
12.10 a.m. George Hamilton IV.
12.40 Close—Heather Emmanuel reads sayings and teachings of Buddha.

All IBA Regions as London except at the following times:

ANGLIA

9.30 a.m. Canada Five Portraits. 10.25 Manfred. 10.40 Hanna Barbera Special. 11.30 Winning with Wilkie. 1.25 p.m. Anglia News. 5.15 Chatterbox. 6.00 About Anglia. 7.00 Oh No! It's Selwyn Froggitt. 8.00 Danger in Paradise. 10.30 Probe. 11.00 Friday Late Film: "No Down Payment." 12.45 a.m. Men Who Matter.

ATV

9.45 a.m. Angling Today. 10.10 Boney. 11.00 Puzzle Party. 11.25 Westway. 11.50 Professor Balthazar. 1.20 p.m. ATV Newsdesk. 1.30 Indoor League. 3.50 The Sullivans. 5.15 The Squirrels. 6.00 ATV Today. 7.00 The Krypton Factor. 8.00 Rafferty. 10.30 The Bestseller Movie: "The Oscar."

BORDER

10.05 a.m. Welcome to the Ceilidh. 10.30 Breaktime. 10.55 The Electric Theatre Show. 11.25 Look Out. 11.45 Oscar. 12.30 p.m. Nature of Things. †1.20 Border News. 5.15 The Partridge Family. 6.00 Lookaround Friday. 7.00 The Cuckoo Waltz. 8.00 Quincy. 10.30 Border Nurse of the Year. 11.00 Late Film: "The Night Strangler." †12.40 a.m. Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News and What's On Where. 6.00 Report at Six. 7.00 Oh No, It's Selwyn Froggitt. 8.00 The Bionic Woman. 10.28 Channel Late News. 10.35 Late with Danton. †10.50 Late Night Movie: "Sylvia." 12.45 a.m. News and Weather in French.

GRAMPIAN

10.00 a.m. First Thing. 10.05 Welcome to the Ceilidh. 10.30 Breaktime. 10.55 The Electric Theatre Show. 11.25 Lookout. 11.45 Oscar and the Great Wooferoo. 1.20 p.m. Grampian News Headlines. 6.00 Grampian Today. 7.00 The Jim MacLeod Show. 7.30 Mixed Blessings. 8.00 Quincy. 10.30 Reflections. 10.35 The Friday Film: "Bless the Beasts and Children."

GRANADA

9.30 a.m. Sesame Street. 10.25 To the Wild Country. 11.15 Clapperboard. 11.40 A Place to Live. 11.55 Cartoon. 1.20 p.m. This is Your Right. 1.30 The Amazing World of Kreskin. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.00 Oh No it's Selwyn Froggitt! 8.00 West Side Medical. 10.30 Reports Extra. †11.00 Great Films of the Century: "Spellbound."

HTV

10.05 a.m. Welcome to the Ceilidh. 10.30 Breaktime. 10.55 The Electric Theatre Show. 11.25 Lookout. 11.45 Oscar and the Great Wooferoo. 12.30 p.m. Indoor League. 1.20 Report West Headlines. 1.25 Report Wales Headlines. †1.30 Ten Years On—in the West Country. 2.00 Women Only. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 7.00 Oh No! It's Selwyn Froggitt! 8.00 Quincy. 10.35 Report Extra. 11.05 The Late Film: "Blind Terror."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.15-4.45 Camau Cantamil. 6.00-6.15 Y Dydd. 10.35-11.05 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.00 a.m. Aesop's Fables. 10.30 Breaktime. 10.55 Electric Theatre Show. 11.25 Lookout. 11.45 Oscar and the Great Wooferoo. 1.25 p.m. News and Road Report. 1.30 Out of Town. 5.15 Teatime Tales. ...

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Paul Burnett including 12.30 p.m. Newsbeat. 2.00 Tony Blackburn. 4.31 Dave Lee Travis ...

RADIO 2

RADIO 4

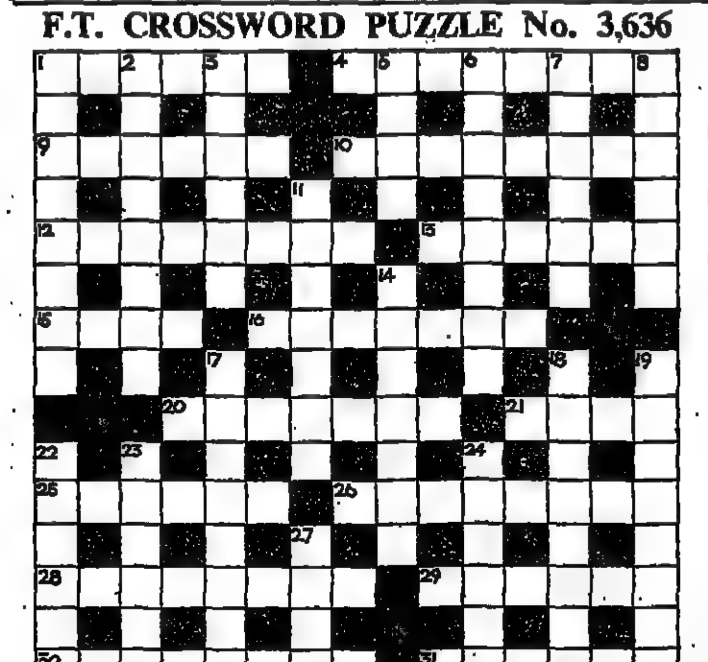
RADIO 3

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,636



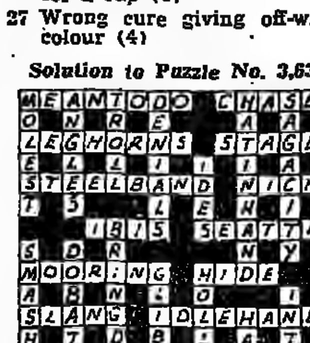
ACROSS

1 Fruit is appearing in wet weather (6)
4 N.C.O. of the body (8)
9 Inspiration needed to get to the top? (6)
10 Always chant about cutting (8)
12 Misinterpret an attempt to show knightly roving (8)
13 Agree when posted (6)
15 Extra pitcher containing gin (4)
16 Symmetrical type of livery (7)
20 Observed undecorated wedding-cake? (7)
21 Stubborn creature may spin a fine yarn (4)
25 Severe reprimand as prices rise rapidly (6)
26 Large glass vessel for sailors (8)
28 Fish to cut up in a manner of speaking (8)
29 Caught with sweetheart in rich pasturage (6)
30 Box with crank could be a joke (8)
31 Incite prison in revolt (4, 2)

DOWN

1 Game of chance allowed en route? (8)
2 Knock about till rate is changed (3-5)
3 Child mentioned in note on book (6)
5 Love to write and begin (4)
6 Crowd on river creating influence (8)
7 Spoiled in rude mixture (6)
8 Ambassador and member dined (6)
11 In it goods are on the way (7)
14 Crime of receiver (7)
17 Witches and worker in agreement (8)
18 Total sales in pastry? (8)
19 Dear port could create a sign of emotion (4-4)
22 Subject about right for imaginary circle (6)
23 Mark on Council of Europe is hard to get (6)
24 Go and wager about a pound for a cup (6)
27 Wrong cure giving off-white colour (4)

Solution to Puzzle No. 3,635



ENTERTAINMENT GUIDE

C.C.—These theatres accept certain credit cards by telephone or at the box office.

OPERA & BALLET

THEATRES

CINEMAS

Cinema

Fables of nostalgia

by NIGEL ANDREWS

Roseland (A) Screen on the Hill
Telefon (A) Ritz
The Army in The Shadows (AA) Camden Plaza
Fassbinder National Film Theatre
Cruel Passion (X) ABCs Fulham and Edgware Rds.

There are good films that hover tantalisingly on the brink of being very good but never quite manage to make the final leap. From James Ivory and Ismail Merchant, the director-producer team who made *Shakespeare Wallah*, *Savages* and *Autobiography of a Princess*, comes *Roseland*: a characteristically nostalgia-tinted fable about people whom time has passed—or is passing—by, wrought with love and care and humour but somehow missing that extra voltage that makes a masterpiece. The film is a trilogy of short stories set in and around New York's famous dance-hall, Roseland, where the old but still young-at-heart gather to re-create the days of pre-juke-box romance, when Saturday night fever took the form of a Foxtrot or a Tango or a Peabody.

Story number one is about two bereaved oldies (Teresa Wright and Lou Jacobi) who find comfort in each other's revelations of past youth and happiness. In story number two, gigolo Christopher Walken strays from his devotion to the rich, ageing widow who supports him (Joan Copeland) when Geraldine Chaplin crosses his line of vision. Should he choose love-in-a-bedsit with Miss Chaplin or well-subsidised loyalty with Miss Copeland? Story number three is the portrait of an elderly German lady, ailing in health but *toujours gai*, who reminisces about her diffident, lovable dancing partner who died—almost in mid-Peabody—shortly after proposing marriage to her.

The film gets better as it goes along, and one cannot help feeling that the vitality it shows in the home stretch could have been summoned up earlier in the race. Not that Ivory and his scriptwriter Ruth Prawer Jhadvala should have forsaken the elegiac tone of the film, but there is a too wan and wispy sentimentality about the first story, and the second takes time to shake off a histrionic stiff-jointedness most evident in Walken's performance. But the third story is a joy: chiefly because it is not so much a story as a talky and eccentric character impromptu that takes wing in a superb performance by Lilia Skala. With her garishly painted face, her costume-trunk dresses and her guttural sing-song of a voice, she seems like a relic from some bygone, or possibly never-existing, era of *Great Lady* elegance, and Ivory's camera gives her poised and ravaged monologue the devotion it deserves.

*

In *Telefon*, Charles Bronson lends his dormant-volcano presence to the role of a Moscow agent sent to America to end a rash of sabotage acts precipitated by Soviet defector Donald Pleasance. Pleasance is going around activating a number of hypnotised KGB agents who were installed in America after World War II, and who are waiting ready to be mobilised into suicide missions of industrial or political sabotage whenever they hear a pre-arranged trigger-phrase. The KGB, in the persons of snarling Patrick Magee and debonair Alan Badel, had hoped that these "human time-bombs" would never be needed or used, least of all by the pop-eyed and clearly certifiable Mr. Pleasance. Bronson packs his bags and flies out post-haste to meet Their Man in Washington; who turns out to be a woman, and Lee Remick. Thereafter all Hell gradually breaks loose, the components of adventure ranging from exploding sea-planes to escaped rattle-snakes; and if you cannot follow all the convolutions of the ensuing plot you are not alone in your confusion.

The film is directed by Don Siegel (*Dirty Harry*, *The Shootist*) and he lends it more style and individuality than its far-fetched story deserves. Bronson is oddly cast as a crusader against hypnotism, since his own heavy-lidded eyes and purring monotone suggest an advanced state of somnambulism. But the incongruities of this film are half its inadvertent charm. It is one of those jet-hopping thrillers that will take you to Houston for no better reason than to exploit the labyrinthine beauties of its main luxury hotel, or to sundry desert and rural locations simply because they respond pleasingly to the camera's eye. It is also one of those films that bend over so far backwards in their attempt at *entente cordiale*—neither the Americans nor the Russians are presented as villains, the all-purpose scapegoat being the mad Mr. Pleasance—that they deserve some sort of prize for political contortionism.

*

Having been made by Jean-Pierre Melville, *The Army In The Shadows* comes to us with the imprimatur of an "art movie"—Melville made the classic *Les Enfants Terribles* in 1948 and directed some broodingly effective *films noirs* in the 1960s—but its sombre, dedicated exterior conceals just as much narrative far-fetchedness as Siegal's film. Lino Ventura, the thinking filmgoer's Charles Bronson, is the hero, and his weighty, ruminative presence gives the film its much-needed centre of gravity. Around him whirls, creaks and fitfully sparks a cloak-and-dagger adventure story about the French Resistance in which lashings of *schattenfreude* and "atmosphere"—dark, wet streets, purring Citroens, scurrying raincoated figures—do not quite bind together a plot that seems to mark time between its exciting but wildly implausible suspense set-pieces.

Melville is frequently hailed as a director who unites the story-telling vitality of popular cinema with the thoughtfulness of the art movie. I think he is as often split apart by this duality as successful in resolving it. There is a childlike exuberance about this film—not least in Melville's cheerfully unapologetic use of model shots for scenes of large-scale action—but there are also spurious attempts to "raise the tone" by including, for example, a Sartre-like *eminence grise* of the Resistance (Paul Meurisse), a handful of whose philosophical books are archly paraded before the camera's eye in one scene, just to drop in an incomprehensible title or two The film tells us little that we did not know, or were afraid to ask, about French life under the occupation, and its characterisation offers no discernible challenge to players of the calibre of Simone Signoret, Jean-Pierre Cassel, and Ventura himself. Much of the film is good adventure-story stuff, but its higher pretensions leave considerable room for scepticism.

*

To be neglected at your peril is the forthcoming Fassbinder season at the National Film Theatre. The German cinema's indeed the European cinema's, greatest young director has been honoured with a full-scale retrospective. At the age of 32, Fassbinder has now made roughly one film for each year of his life, and although Londoners have seen most of his best work since *The Merchant of Four Seasons* (1971), there are still 20 or so films outstanding that if they are not seen now may never offer the opportunity again.

Fassbinder's speciality is a *kind of stylised naivety*, and over the years he has turned this method into a miraculously successful resolution of the tug-of-war evident in his own sensibility (and in those of many other post-war directors, including Melville) between a love of the downbeat and the realistic and a fascination with the flamboyant excesses of Hollywood. The early films—*Katzelmacher*, *Why Does Herr R Run Amok?*, *Whity*—will give us a chance to see this early tug-of-war in progress, and to watch the working-through or working-out of conflicts of style. Few directors as young as Fassbinder have ever had a full-size retrospective at the NFT, and for confirmed admirers and sceptics alike the season should be required viewing.

*

I cannot say the same for *Cruel Passion*. "All the Holy Mothers have taught me is *how to frig myself*," says a disappointed nun in this transcendently daft British adaptation of de Sade's novel *Justine*. The acting is rudimentary, the dialogue is primeval, and since all the censor has allowed in the way of visuals (or all the film-makers have dared to include) are scenes of coyly grappling torsos, with the occasional if-you-blink-you-miss-it shot of female pudenda, one wonders how much further along the path of inexplicitness the British sex movie can travel before it courts danger from the Trade Descriptions Act.

Geraldine Chaplin

Coliseum

Julietta

by RONALD CRICHTON

Martinu, the Czech composer who spent most of the inter-war years in Paris, went to the U.S., returned to France after the war and died in Switzerland, never lost contact with his native country. *Julietta*, introduced to British audiences on Wednesday by the New Opera Company "in association" with the ENO, was first given in Prague under Talich in 1938. Together with the *Greek Passion*, it ranks as the finest of Martinu's dozen or so operas. If the date of the premiere had been less unfortunate, *Julietta* would surely have won a place in a repertory not over-stocked with 20th century operas likely to appeal to a wide public. As it was, it had to wait a long time for a further performance.

The opera is an adaptation of a once-controversial French play, *Julietta, or La Cle des songes*, by Georges Neveux. The subject is the border-line between illusion and reality, between sanity and madness. Michel, a travelling salesman, finds himself in a seaport where everyone except himself has lost their memory. He is pursuing a girl once-glimpsed, who may or may not be a creature of his imagination. After he has found her, he is provoked into *shooting at her but cannot* discover for certain whether or not he has killed her. In the Central Office of Dreams he is warned that if he doesn't wake himself up, he will be lost to reality for ever. But by then the shades have closed in too far. He stays, still pursuing his dream.

Leonard Burt

Stuart Kale and Joy Roberts

The English translation by Brian Large, obviously limited by the need to follow Martinu's vocal lines, may conceivably miss some of the flavour of Neveux's dialogue. The first act and much of the second are full of a dated kind of whimsy, like Giradoux without the verbal distinction (Neyeux worked with Louis Jouvet, Giradoux's leading interpreter). At moments I began to feel that Barrie's *Dear Brutus* would make a stronger subject for an opera. But about half-way through, the fantasy begins to grip. The scene in the Office of Dreams is at once funny, sinister and sad. The impression of mental disintegration is subtly communicated.

Martinu had the Czech gift of writing music as naturally as breathing. He had it to excess: no leading composer of our century except Milhaud has been so prolific. I find Milhaud's style more often than not congenial, while Martinu's music, much as one may admire his professionalism, too often runs in at one ear and out of the other. Yet many things about *Julietta* proved pleasing. Facility is not necessarily to be despised, and the sure-footed flexibility and smoothness with which Martinu moves from style to style and from mood to mood are in themselves captivating.

His score is uninhibitedly eclectic, borrowing from Pelleas and Petrushka, sprinkling in Czech dance rhythms, glancing at Prokofiev and beyond him to Martinu's teacher Roussel, whose pounding metres are heard again and again, though with little of their acrid harmony and still less of typical concision. All this with the greatest naturalness, with the musikantisch quality that does not indeed guarantee strong invention but at least provides almost continual pleasure in the way everything sounds right — grateful vocal writing, scoring neither thick nor spindly, capable as in the moments when Michel's mind begins to reel, of blowing up a storm in a few seconds.

As in Szymanowski's *King Roger* and Ginastera's *Bomarzo*, the New Opera Company production team of Anthony Besch and John Stoddart have contrived a spectacle at once economical, elegant and suggestive. The masterly conductor is Charles Mackerras. The unhappy Michel is sung by Stuart Kale—clean, precise, musical, but too weakly projected in the central act. Joy Roberts brings to the elusive Julietta the same virtues, with greater staying power—the role is shorter and there is less need to hold back. Miss Roberts is one hundred per cent. English in appearance, manner and style. One misses the combination of feyness and Ondine-like sensuality a French actress (though not necessarily a French opera singer) would bring to the role.

There were good character sketches from—among others—Sarah Walker, John Winfield, Edward Byles, Patrick Wheatley, Dennis Wicks. The work of this company in filling gaps in the 20th century repertory is more valuable than ever now that the big concerns are finding it harder and harder to mount new things, even when they are only "new" in the sense that they haven't been done here before. As the NOC's recent productions have shown, there is a ready public response. A large audience came to hear *Julietta*, and showed an amount of enthusiasm that promises good houses for the remaining performances.

Globe

Ten Times Table

Alan Ayckbourn's new farcical comedy assembles a marvellous bunch of people around a committee table at the Swan Hotel, Pendon, where they are to plan the programme of a summer festival. He gives them a generous ration of comic lines. But what he does not offer this time is the deftness with which he plans situations whose complexity is masked by the fun with which they are devised. There is really only enough in *Ten Times Table* to fill an average one-act play, and not a particularly original one-act play at that.

The theme of the pageant which is to open the festival is The Massacre of the Pendon Twelve. The Pendon Twelve have been discovered in an old book of reminiscences. They were stolid peasants who stood up against the Earl of Dorset and a band of militia on the occasion of some local rustic insurrection. When the mass of the people had sensibly left the Market Place, the Twelve, led by John Cockle and his friend Brunt, were duly shot down by the soldiers—an ideal situation for a country pageant.

The organising committee soon splits in two. Ray, the chairman, Helen, his wife, and Donald, a tiresome fusspot whose value is confined to his influence with the Council, form a conservative, not to say Conservative, group whose ideas are confined to a little harmless play-acting. But sitting with them is Eric, the Marxist schoolmaster, and Sophie, the young wife of a local dog-breeder, Tim, and they see the occasion as an opportunity to rally the proletariat in a great meaningful gesture, where Eric, in the person of John Cockle, will make a fighting speech. There are also, on the sidelines, drunken Lawrence, who sleeps through most of the proceedings, and Donald's aged mother, alleged to be recording the minutes in spite of her acute deafness.

The final scene, on the day of the pageant, is a fine example of Mr. Ayckbourn's talent for organised confusion. The conservatives have been taken over by Tim the dog-breeder, an ex-officer, and he is treating the business as a serious military operation. As the conflict rages outside, in the committee room Lawrence, as the Earl of Dorset, falls drunkenly from his horse, Donald, deprived of his glasses for appearance's sake, flails around in the wrong directions, and Donald's mother practises popular airs on the piano.

But the preliminaries have been too long and too predictable; and there is no real climax, the affair simply peters out. Let me add that the play is a long way from being a total loss; there are good jokes crackling most of the evening. And the playing, under Mr. Ayckbourn's own direction, is enchanting—Benjamin Whitrow's Donald obsessed with minutiae, Julia McKenzie the archetypal Tory lady, John Salthouse as Eric, liable to boil over into a Marxist dialectic at the drop of a hint, Christopher Godwin as the ultra-militaristic dog-breeder, Matyelok Gibbs as the old lady, cackling with private laughter as events pass her by untouched. Vintage Ayckbourn this is not; but a lot of people are going to enjoy it.

B. A. YOUNG

Leonard Burt

Julia McKenzie, Benjamin Whitrow and Paul Eddington

Theatre Upstairs

Bleak House

Pleasant though it was to meet up again two nights ago with Shared Experience, I am afraid that there is nothing much substantial to add to my notice of their first chapter of *Bleak House*. The uncluttered narrative techniques reveal no hidden surprises as we progress through the unchoppy waters of a faithful recounting of the original. Alas, we have missed the dancing Turveydrops en route, although the senior of them might be seen peeking through James Smith's pigeon-chested account of the ludicrous Chadband, all-hallowed rhetorician falling eagerly on the Snagsbys' tea table.

It will demand great patience and loyalty of an audience to sit through all four plays and perhaps the whole project would have been better served by the approach adopted by Ken Campbell and Chris Langham with the *Illuminatus* trilogy: ruthless selection of material compressed into a single seven-hour bonanza. Admittedly there are such scattered delights as the evocation of the Smallwood family, hunched on four chairs indeed like "old monkeys with something depressing on their minds"; the lusty reproduction of the coffee house feast enjoyed by young Smallweed, Jobling and Mr. Guppy; and, right at the end, the striking impersonation of Phil Squod in the shooting gallery (Mr. Smith, again) as a decrepit, concisely drawn remnant of Life's *cruel lottery, joined at the knees*, voice of a squashed frog.

Perhaps, after all, *Bleak House* is, especially of all Dickens' books, a work to hug to oneself, *to dip in and out of while piecing* together the evidence and making the jumps as they come discreetly through the complicated web of a narrative written in two distinct and deliberate styles. That sort of subtlety is beyond Shared Experience, and losing contact with Lady Dedlock or Esther Summerson for long periods of stage time proves to be ruinous to the concentration.

MICHAEL COVENEY

Elizabeth Hall

Belgian Chamber Orchestra

by DAVID MURRAY

Besides its violinist director Rudolf Werthen and its harpsichord, the Belgian Chamber Orchestra consists of a dozen string players. They make a full, thoroughly musical sound, and their technical assurance inspires confidence; passing impressions on Wednesday served to remind one not to take the super-polish of some recorded performances too seriously. Twentieth-century music inspired their liveliest and most characterful playing: the strong, quirky *Music for Strings* by Marcel Poot (Flemish, b. 1901) was an engaging discovery, and Hindemith's Five Pieces op. 44 no. 4 sounded lithe and well-sprung.

The concert had begun with a smoothly respectful account of the great Ricercare from Bach's *Musical Offering*. Next came one of J. J. Quantz's discouragingly numerous flute concertos, in which Paul de Winter's gleaming, liquid tone was a pleasure in itself. It would have been no less pleasing had the outer movements been taken at slightly less frantic speeds—there was a suspicion of holding on by the skin of the teeth.

The other piece with a soloist was an oddity, the famous "Devil's Trill" Sonata of Tartini arranged by Mr. Werthen for himself and the string orchestra, borrowing Kreisler's monster cadenza (all double-stopped finger-tremoli). Werthen's smoky, even sulphurous timbre and the crunch of his bow-attack are dramatically apt for the piece, which duly gripped. Elsewhere, his penchant for conducting and acting as lead violin by turns, often within a single movement, made for awkward compromises. The leading viola and cello are strong personalities too, and there were passages like the opening of Greig's Holberg *Suite* where the first violins sounded undermanned for want of Werthen's strong right arm; in the Rigaudon he took the solo line with proper vigour—but with his back to the audience. The orchestra is surely capable of performing most of its repertoire without a conductor, and it would be good to have Werthen's transmitting his intentions through his instrument on a full-time basis.

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Test of EEC solidarity

THE EEC *summit that opens in* Copenhagen to-day is the first major test of Community *solidarity* in the *forthcoming* series of top-level international meetings on the world economy. It follows active bilateral consultations involving, in particular, Washington, Bonn, Paris and London, as most western Governments increasingly *come to accept* that a fresh internationally co-ordinated stimulus is now required if growth is not to fall alarmingly below earlier target levels.

But while the U.K. has been pressing especially strongly for *concerted action against* unemployment, and regards next week's budget as its own contribution, the West German position, which will be crucial *in Copenhagen, is* still far from clear. Although senior members of the Bonn Government *have been acknowledging* in recent days that all is not entirely well with the country's economy, the official position remains that no decision on a further boost to demand can be taken before May at the earliest.

Ominous

For the moment, Bonn's main concern is the decline of the dollar and its likely effects on German exports and their profitability. The impact has not yet shown up in the trade figures, but this week's announcement of declining overseas orders by the mechanical engineering industry, the country's largest export earner, was an ominous straw in the *wind. Bonn is insisting that the first* priority *must* be for Washington to arrest the dollar's slide.

It is this that has led to *speculation that Copenhagen* could see the start of work on a package deal in which Bonn would be asked to accept a further dose of reflation in exchange for steps to stabilise currencies, beginning with those of the EEC countries. The idea favoured by the EEC Commission appears to be to revive plans for closer links between the jointly floating "snake" and the other EEC currencies. The *suggestion is that this* should pave the way for a more stable relationship with the dollar.

The prospects for such a proposal do not look very good. Now that the French election is over, it is conceivable that President Giscard d'Estaing will want to renew the franc's *flirtation with the "snake."* It is much more difficult to imagine Britain and Italy following suit. Both the pound and the lira remain liable to considerable fluctuation, and the British view, in any case, is that close currency co-operation *must await real moves towards* greater economic convergence.

The Commission's proposals for stimulating growth in the so-called "convoy" of Western *countries look more realistic.* Here the idea is that the time between Copenhagen and the seven-nation economic summit in Bonn in mid-July should be devoted to what is being described as "joint assessment." The Commission would be dele*gated to find out what each* country was already doing and where it might do more, in the hope that a full percentage point could be added to the Community's growth rate in the year to mid-1979. Britain would, *perhaps* optimistically, like *each country's new* commitments to be on the table by the None's Bremen summit, a week or so before the Bonn meeting. The entire operation, however, *could fall* through if Herr Helmut Schmidt, the West German Chancellor, is not prepared to participate.

Election date

The Copenhagen meeting will not be devoted exclusively to economic affairs. With the deadline expiring on Sunday, the *Nine* will have to discuss Washington's request for acceptance of a renegotiation of conditions under which American nuclear fuel is supplied to *Europe, and the Heads of* Government will conduct their usual review of world issues like the Middle East, the Horn and Southern Africa and East-West relations. They are also hoping to set a new date for direct elections to the European Parliament, postponed because of Britain's failure to meet this year's original deadline. The U.K. is now suggesting June next year, and there seems *some willingness among the* other countries to go along with that. After all the uncertainty that has surrounded the elections, it would be good if Copenhagen can fix a date once and for all.

Transnational accounting

TRANSNATIONAL corporations are only now beginning to be seriously concerned about the suggestions for transnational accounting standards which a UN advisory group published last December and which are to be considered in a UN context next month. That they should be concerned is understandable for a number of reasons. First, this UN group is only one of a number of bodies—including the OECD, the EEC, and the International Accounting Standards Committee, as well as various individual governments—which are at present seeking to draw up stricter accounting standards. There is an obvious risk not only of overlap but of contradiction.

Second, the UN is a large and heterogeneous organisation which includes not only developed but developing, not only capitalist but Communist members. There is a real danger that, in such a forum, rules would be drawn up to the special disadvantage of capitalist *multinational corporations and* then gradually enforced by member Governments. Third, the group which has drawn up the proposals was composed of people from a variety of disciplines and backgrounds—not merely accountants—and the suggestions it makes include the disclosure of non-financial as well as purely financial *information. The balance of* cost and benefit in collecting and publishing such information is doubtful.

Political

It is odd, on the face of it, that a body like the United Nations should be concerning itself at all with technical accounting matters. The reason is that there has been a considerable amount of highly political discussion about the role played by transnational corporations, especially with regard to their policies about pricing, investment and employment. As long ago as 1973 a special group was set up inside the UN to study the impact of multinational companies on development and international relations. In its report it noted that there was a serious lack of published information, both financial and non-financial, about the activities of *such companies* and that much of what there was did not allow accurate comparisons to be made.

It therefore recommended that a group of experts should be set up to recommend a code of standardised practice, and the *result* was the document *that* is to be discussed next month. The group, in fact, drew its purely financial recommendations (building on the work of the IASC) from the best practice of countries like the U.S. and suggested that they should *apply to all companies, trans*national or not. But this recommendation was outside its terms of reference, and it is in any case highly unlikely that small companies in developing countries could physically meet these requirements. Once again, then, the transnationals feel *that* there is a serious risk if these proposals go ahead, however *slowly*, that they will be the object of unfair discrimination.

Compromise

Yet it is not to be denied either that the operations of multinational corporations do *often raise political issues* and that the standard of information supplied in their acounts is *enormously* varied. Partly this is because of differences in national legislation or professional requirements, partly because different companies vary greatly in the extent to which they are prepared to go beyond the minimum legally required. Even when they are ready to go considerably beyond the minimum — and the pressure of *opinion has pushed many multi*nationals in this direction over the past few years — the information they provide is not standardised and is therefore often not comparable. The UN is clearly not the right forum for reform, though its suggestions have been valuable. The political dimension of the issue means that it cannot be left to accountants alone to decide. The OECD, which is to reconsider its own guidelines next year, might be an acceptable compromise.

The high stakes riding on Leyland's bonus ballot

By ARTHUR SMITH, Midlands Correspondent

MR. MICHAEL Edwardes, British Leyland's chairman, is riding high: the Government this week has given full backing for a brave, £1.3bn. investment programme *which involves the politically* embarrassing decision to inject a further £850m. of State finance; the troubled Cars Division has raised output and staged a dramatic recovery to achieve a 28 per cent. share of the U.K. market; and the *announcement* that the Speke assembly plant is to be closed with the loss of up to 3,000 jobs in an area of high unemployment has become acclaimed as a tough but necessary commercial decision.

The extent to which the Prime Minister might have considered Speke and the former Leyland management necessary sacrifices in order to gain Liberal Party parliamentary support for a second-stage rescue is a matter for the politicians. But the question must be posed of how long Mr. Edwardes' honeymoon period will last.

Certainly, opposition by the Speke shop stewards to the proposed transfer of production of the TR-7 sports car to Coventry threatens a confrontation which could engulf the State-owned concern in yet another financial crisis. Of more immediate *concern, however,* is the result, expected to-day, of the ballot on whether the 100,000-strong manual labour force will give a six-months trial period td the company's planned incentive scheme.

The first step

Management sees the proposed package, which offers the *prospect of up to £8* a week bonus, as only the first step towards raising Leyland's lagging productivity to that of European competitors. The case for such action was given point by the disclosure last week of a joint management-union study which found that *efficiency in* Leyland plants was only 45-65 per cent. of that on the Continent.

Among the disturbing features highlighted by the comparison of the U.K. manufacturer's practices with those of Renault, Simca and Volkswagen were the late start and *early finishes of the Leyland* plants, and their generally lax work and time standards.

Even against the background of these findings and the warning that, *on such trends,* Leyland's competitive position will continue to decline, the shop stewards have offered united opposition to the company's pro*ductivity* deal. They complain that because the bonus is based upon overall plant performance, workers will see no relationship between individual effort and earnings. Fears have also been raised that any improvement in productivity will merely add to the 12,500 reduction in the British Leyland labour force that Mr. Edwardes has said will *be necessary this year.*

More serious is the trade unions' refusal to concede ground on the basic issue of "mutuality"—the right to determine with management the speed and manning levels of the track.

These are the bread-and-butter issues which have been at the centre of "the Leyland problem" for more than a decade now, and it would be a *mistake to see the present offer* of an incentive scheme as the first step back towards the old piecework system. Concessions made to the "piecework mentality" of the Midlands car workers have been deliberately minimal. There may be a new *management team* under Mr. Edwardes, but they are conscious of the experience not only of their predecessors but also of their competitors.

Vauxhall, Chrysler and Ford are committed to the principle of timework—a flat rate payment for all production workers.

Leyland followed the practice of the U.S. *multinationals* by adopting, in the late 1960s and early 1970s, what was termed "measured day work." At Cowley for example Mr. George Turnbull, as managing director of Austin Morris, pressed for *the new wage system in time for* the launch of the Marina model. Haggling over rates had caused considerable delay to the Maxi launch, and in 1970, the last *year of piecework*, the Cowley assembly plant suffered more than 700 strikes.

The concept is feasured day work is that management is able, *in a fairly scientific way*, to set standards under which employees work with reasonable effort at a satisfactory speed. It is the task of supervisory staff, not the pay mechanism, to ensure standards are met. A key role is given industrial *engineers, the old-time rate* fixers, to conduct objective work measurement tudies.

In practice at Leyland the shop stewards, bred on a life*time of piecework negotiations*, tend to challenge not merely the accuracy of studies but the very principles upon which they are based. Practices vary be*tween plants, but* track speeds and manning levels owe more to the Persian market system of haggling than to objective work measurement. This control over the work situation is at the heart of the stewards' present demand to retain "mutuality."

As Ford, Vauxhall and Chrysler, where flat rate payment systems have been in operation for years, management is free to use work study techniques and, after conulstation, determine line speeds and manning levels. While the various time-rate systems based on measured day work were particularly successful in the U.K. motor industry of the *1950s and 1960s, the concern* that they may not be as appropriate to the changed industrial environment of to-day is not confined to Leyland. However, the U.S. multinationals, particularly Ford, with their commitment to time payment and the management control it gives, are likely to make few changes. Chrysler has just introduced an incentive element, but stresses that the move should *not be seen as a departure from* its belief in time-rate systems.

At Leyland, the decision was taken nearly 12 months ago that some form of incentive scheme might offer the prospect of a productivity improvement. A management style which *fluctuated* between persuasion, exhortation and thrats had met with little response from the workforce. But from the outset there *was a gulf* between the unions and the company on the size of the incentive element and how it should be calculated.

For the shop stewards, there was a *simple correlation* between the old piecework system, individual effort and high earnings; the management argument that the introduction of measured day work in the early 1970s suffered from incomes *policy and sales-related prob*lems following the oil crisis was treated with scepticism.

The determination of the company to keep firm control of the *wage bill is reflected in the fact* that the proposed bonus is merely a supplement to the basic wage and has an upper limit of £32 a month.

Bonus would be calculated on a points system according to the efficiency of individual plants. Before qualifying for payment, factories first would have to *achieve the output and manning* levels set in the 1977 business plan. For some plants, particularly Cowley and Longbridge, this means that labour would *have to be shed merely to reach* the starting line. De-manning exercises are already under way.

The unions object to the use of the business plan as the measure of *efficiency* because this is drawn up through the worker participation machinery, rather than by formal negotiation. Against this, management *regards it as fundamental* to the objectivity of the scheme that it should not fall foul of the old arguments about mutuality.

The scheme makes clear to each group of workers what their output level would *have* to be to earn bonus; but actual payment would be dependent upon the performance of the plant as a whole. Thus it would be possible for any group, or a whole section of a factory, to consistently beat efficiency targets and yet receive no extra money.

Shortage of a component, possibly because of a strike by an outside supplier, could rob the whole plant—and Longbridge employs *20,000*— of its bonus.

The unions argue, with some justification, that the relationship between effort and reward is so remote that the incentive *value of the scheme is minimal.* More seriously, the deal could cause new friction and conflict, with some groups of workers accusing their colleagues of lack of effort.

Management is not blind to this, but argues that to award bonus on anything other than a plant level basis would further exacerbate the risk of inter-group rivalry.

Company fears about the *danger of a slide back to the* individualism implicit in piecework are clearly illustrated in a document submitted to the National Enterprise Board last *year.* Leyland Cars argues that piecework earnings were increased not by the effort expended, but by the industrial pressure applied.

"The atmosphere of blackmail and strife so created was totally inimical to progressive, *civilised concepts of what* modern industrial life should comprise."

Management also made mention of the "inhumanity of the *atmosphere surrounding the* piecework system." One of the legacies of this *old system* is the difference in efficiency between plants. The joint study *undertaken* by management and unions found that some Leyland U.K. car factories were performing 50 to 150 per cent. better than others. The clear implication of this is that some plants will be able to earn the productivity bonus with little extra effort; and that could be another important reason why the company imposed a £32 *upper limit.*

If the key to the Leyland problem is productivity, then there must cleary be a major labour shakeout this year, if only to gear th ecompany *to an* anticipated sales level of only 819,000 vehicles compared with *the original target* of nearly 1m.

On thi sissue, Mr. Edwardes must take some of the blame for fuelling the fears of trade unions about the possible scale of redundancies. When he addressed management and *worker representatives* in what he described as "an historic meeting" on February 1, he talked about reductions of "at least 12,500." But that, he made clear, was "at current levels of productivity." So it should come as no surprise that shop *stewards* assume that the productivity gains of the incentive scheme will mean additional redundancies.

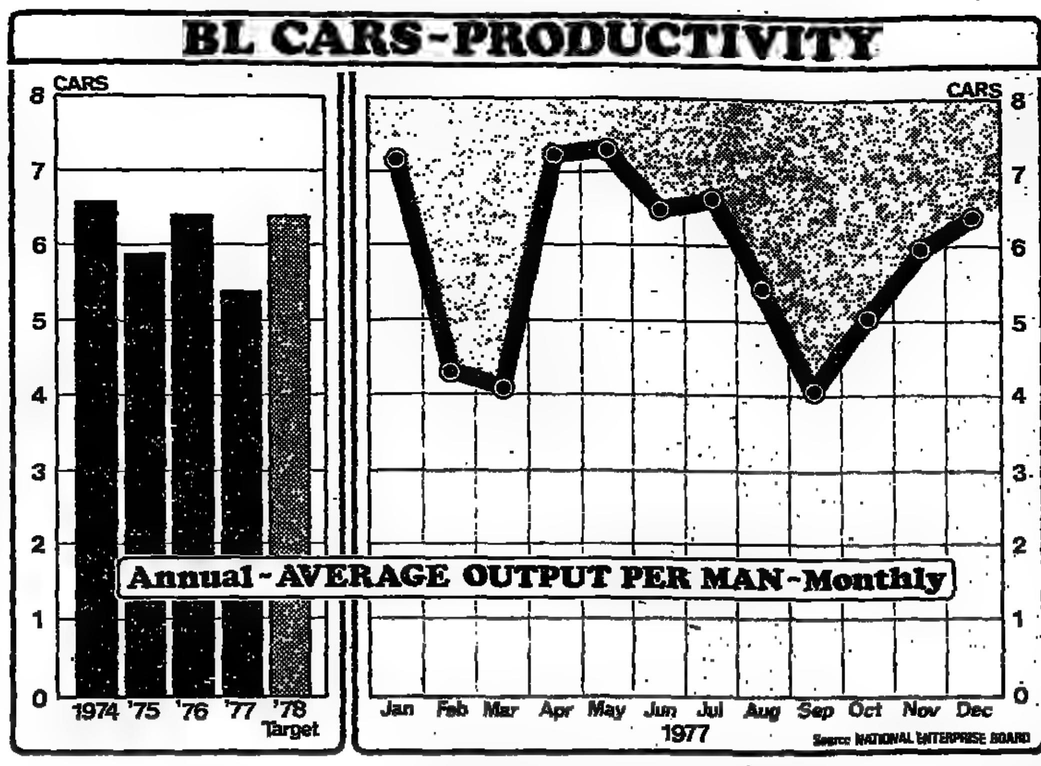
The only authoritative statement about the *net* employment loss is contained in this week's report by the National Enterprise Board, which talks about 10,000 jobs, excluding the effect of the Speke closure. Confirmation of that figure alone by Mr. Edwardes would do much to still *the fears* within the car company.

But the result of to-day's ballot could mark a more fundamental turning point in the *affairs* of the State-owned concern. Whether or not the workforce has voted to give the bonus deal a trial run, Mr. Edwardes might feel there is a case for a more ambitious incentive system.

Shock tactic of closure

His decision to close the Speke assembly plant in many ways marked a *break with the* philosophy of the former management. Under the Ryder Plan, the aim was to pursue a *policy of gradualism,* carefully winning the confidence and support of the workforce through enlightened industrial relations: fringe benefits and job security were seen as the way to increased productivity.

Mr. Edwardes, confronted with the need to devise a crash programme to make Leyland viable, may choose the shock tactic of plant closure and more rigorous incentive scheme.



EFFECT OF DISPUTES - 1977

	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Total
BRITISH LEYLAND					
Number of disputes	200	142	144	118	604
Manhours lost ('000)					
On strike	1,348.3	206.0	1,146.7	1,009.6	3,710.6
Laid idle	7,543.0	725.4	415.2	2,449.8	11,133.4
Total	8,891.3	931.4	1,561.9	3,459.4	14,844.0
Vehicles lost	102,763	19,024	12,359	58,762	192,908
SUPPLIERS					
Manhours lost ('000)	225.3	6.4	2,919.0	216.4	3,367.1
Vehicles lost	5,269	484	47,261	5,636	58,650

Source: NEB Report on BL

MEN AND MATTERS

Lighter entertainment

With London's diplomatic corps *still pondering Dr. Owen's on*slaught at the Mansion House on the Russians and Cubans for their behaviour in Africa, eyes will be on to-day's lunch at Marlborough House, headquarters of the Commonwealth *Secretariat. The guest of honour* will be Dr. Kurt Waldheim, UN secretary-general, and apart from a plethora of top UN officials, other guests wil include *ambassadors* and high commissioners for various countries caught up in the African political storm — including those of the United States, Zambia and Algeria. There will also be a sprinkling of British political figures, including Edward Heath, Jeremy Thorpe and Ministers Judith Hart and Frank Judd. Perhaps to the relief of Com*monwealth secretary - general* Sonny Ramphal, the name of Dr. Owen is not on the guest-list. I was also told yesterday that "speeches will be kept very short."

"Why doesn't he let nature take its course?"

Pot's gold

Some of our readers may have wondering why this paper does not include the Cambodian riel in its weekly list of world currencies. Well, the Cambodian Premier, Pol Pot, has just given the explanation: "We have ceased to use money." And as part of this novel process, he points out, the wage system too has been suspended.

His explanation to a rare Press delegation—from Yugoslavia—has just reached me, and I pass it on just in case the International Monetary Fund was keeping a Cambodian desk open. "As the cooperatives (in the countryside) started providing support for each other and bartering their produce with each other, the role of money became increasingly less important."

When would Cambodia bring money back? "If the people want *to use money again,* we will use money again." The journalists reported that in the debris which used to be the National Bank of the Kingdom of Cambodia lie heavy safes and cashboxes which the Khmers Rouges have not yet attempted to open.

None of the Yugoslav questions seem to have dealt with the massacres, of which stories have filtered out, but the visitors reported a Marie Celeste *atmosphere in Phnom Penh.* "Coffee cups are on the tables, clothes in the wardrobes and cars *untouched in garages*" since April, 1975. Then the entire population of the city—at one point 500,000 people—was "asked" to live in the countryside.

Pot says people were moved because of a food problem and "U.S. *imperialism and its* lackeys . . . cooked up a plan . . . (to) agitate against us in the capital." But the result of these policies is that Pol, who once spent a summer vacation working on a Yugoslav motorway, has created a situation in Phnom *Penh such that "the passers by* during one hour in the busiest streets in the centre of the town can be counted on the fingers of one hand." As for the ministries, *these* have virtually no officials and those that there are spend much of their time growing vegetables for visitors. *Which,* at least, sounds like what those advocating less government here might favour.

Well eeled

Gazing thoughtfully into a glass of whisky, one may on occasion see a pink elephant. But rarely an eel. Yet a potentially lucrative link has been devised by *Tomatin, the Inverness-shire* malt whisky distillers. Peter Wright, the company's managing director, is leading a diversification into the eel business that he expects will net £2.5m. profit annually, five years from now.

For some time the company had been pondering on how to use the excess heat from its plant, the biggest malt whisky distillery in the world—as well as the surplus pure water it feeds back into a stream named Alt-Ma-Frith. Trout farming was toyed with, but there is already plenty of competition in those waters.

Tomatin suddenly caught hold of the fact that the Germans and the Dutch relish smoked eel and *can never import* enough. A pilot project in the distillery was a writhing success: eels take three years to reach a succulent ten-ounce size when reared in cold water, but are fit for any Frankfurt platter within a year when kept in warm tanks.

So this month the first big consignment of elvers (young *eels to the uninitiated*) will be taken from the Severn to Inverness-shire; next year the company hopes to export 100 tons of fish to the Continent. The Germans and Dutch prefer to do their own eel-smoking, so that skill will be left to them.

Burnt-out idea

There must have been some *worried bosses* in BP. Their Danish subsidiary has just been reported as exploring "a solution for burned-out executives" — demotion. There is a polite word for it: decruitment.

The magazine, International Management, quotes a number of former Danish *executives of* other big firms saying such things as: "I believe I am much more valuable to the company in my present job as a security guard than if I had remained a manager." There is also some tough theorising, such as that by *Laurids Hedaa, head of the* Danish Institute for Personnel Management: "Companies should have a programme for demotions, just as they do for promotions."

In case BP's top men on the 31st floor of Britannic House had not been briefed about possible decruitment, may I reassure them with the results *of my discreet enquiries.* Your Danish subsidiary may have examined this scheme, but the firm has no plans at all for going ahead with it.

Formidable female

Yesterday's news that the Irish bishops have withdrawn their opposition to the public sale of birth-control devices has given rise to sundry reactions. But none so gnomic and theologically daring, I would venture, as the first paragraph of the leader *in the Irish Times*: "Fear of the body—and particularly of the female body—underlies many religious attitudes to sex. Perhaps more than fear of God."

Observer

Liberals: pawns in their own tax game

THE HISTORICAL lesson is fairly clear: on the whole British Governments don't fall. They might, like old soldiers, give the impression of simply fading away, but in the end they tend to go to the country at a time of their own choosing.

And yet it would take a bold man to predict with certainty that the Government will survive the Budget and the subsequent Finance Bill. Precedent and common sense suggest that it will, but there remain one or two causes for doubt. At any rate, the threats have already gone out, or at least the bluff has begun.

The Government let it be known at the start of this week that it is ready to face the electorate if the Liberals do not play ball on the Budget legislation. The Liberals, for their part, have said that they hope there will be an agreed Budget which they can support, "both in principle and during the debates on the Finance Bill." But they have added that whether it is agreed or not depends on how their Liberal proposals are accepted, and have warned: "If the Budget is not agreed the Parliamentary Liberal Party will oppose the Finance Bill and vote for them." They will not, in fact, know whether they can regard the Budget as agreed until Mr. Denis Healey delivers his statement on Tuesday.

The Tories have said very little, but it is clear that their preference is for the same sort of tax cuts as favoured by the Liberals, and it is probable that there will be a good deal of Lib.-Con. voting on the Finance Bill amendments. The Tories differ from the Liberals on tax only in that they have so far been less forthcoming in saying how the revenue lost by cuts in direct taxation should be replaced.

In these circumstances there seem to be three possibilities. The first is that the Government goes some way towards meeting the Liberal demands—not the full £3bn. reflation, but some tax reduction with the promise of more to come. There would then be a series of amendments and probable Government defeats as the Liberals and the Tories sought more concessions. But they would be the sort of defeats which the Government could bear with reasonably good grace. They would not exactly stand the Budget strategy on its head, and there would be no question of resignation.

The second possibility is that the Government defeats could be much more substantive, to the point where Mr. Callaghan and Mr. Healey begin to question their ability to govern and consider going to the country for a new mandate. That was the threat being put about this week. It can be dismissed almost out of hand for the simple reason that an early General Election would be much too likely to result in the Government being beaten. Mr. Callaghan has no inclination at present to commit political suicide.

The third and most fascinating prospect, however, is that the Government's defeats on the Finance Bill should be of a kind whose status is difficult to determine. There is, after all, no rule of thumb for saying that this issue is a matter of confidence, but that one is not.

THE LIBERALS' TAX PROPOSALS FOR 1978-79

PRESENT TAX RATES %	£	PROPOSED TAX RATES %	£
40	6,000-7,000	40	8,000-10,000
45	7,000-8,000	50	10,000-14,000
50	8,000-9,000	60	14,000-21,000
55	9,000-10,000	70	over 21,000
60	10,000-12,000		
65	12,000-14,000		
70	14,000-16,000		
75	16,000-21,000		
83	over 21,000		

Effect on the tax liability of a married couple with no children at various levels of earned income.

Income per week £	Tax Payable 1977-78 £	%	Now Proposed 1978-79 £	%
40	4.07	10.2	2.45	6.1
60	10.88	18.1	8.46	14.1
80	17.68	22.1	14.46	18.1
100	24.48	24.5	20.46	20.5
150	41.88	27.9	35.46	23.6
120	64.65	32.3	51.88	25.9

The only issues of confidence, in fact, are those which the Government or the Opposition choose to call issues of confidence.

Thus the Government could take a series of damaging defeats with every intention of remaining in office. Yet at some stage Mrs. Thatcher might have to say: "Enough is enough. Plainly a Government that is, in effect, putting through the Opposition's Finance Bill cannot govern and ought to be thrown out." She might then have to put down another censure motion. And the Liberals might support it.

As yet, nobody knows. But certainly it is interesting that the Liberal document on the Budget published this week has all the hallmarks of an election manifesto and was written by Mr. John Pardoe over the Easter holidays with the possibility of an early General Election very much in mind. It is not that the Liberals have suddenly decided that they want to kill off the present Government, though there probably has been a growing realisation that the Party is likely to do equally well, or equally badly, whenever the election takes place: (any picking up of votes from the 7 per cent. or so regularly shown in the opinion polls will have to depend on the campaign). It is rather that the Liberals do now think that they have found an issue, namely cuts in direct taxation, which they can make identifiably theirs, and they can play it all ways.

For example, if Mr. Healey goes much further than anybody, including Mr. Pardoe, expects in adopting Liberal ideas in his Budget speech, the Liberals can claim that their influence has prevailed. If, on the other hand, the Liberals are forced to rely on pushing through amendments to the Finance Bill, they can claim the same thing, only more bellicosely. And if their ideas are rejected, they can at least take their tax-cutting programme to the country—not just the plan for £3bn. reflation in 1978-79, but also the longer term aim of cutting the standard rate of income tax to 20 per cent. by 1980 and the highest rate on earned income to 50 per cent.

My own guess is that such hopes will prove forlorn. Sooner or later the Liberals will be thoroughly pre-empted on tax by the Tories. Yet, for the moment, the Liberals have got in first. Their document is fully costed: the figures come from the Treasury, the telling international comparisons are all there, and the argument—put by the Government—that the Liberal proposals would mean increasing the cost of living is met by saying that this would be more than compensated by the rise in personal incomes as a result of the cuts in direct taxation.

But, wittingly or unwittingly, the Liberals have laid the basis for a Lib-Con alliance during the Finance Bill. It will be intriguing to see how the Tories try to snare the Liberals into their camp on the amendments, and indeed it seems to be the Liberal fate that while they might have the ideas, others have the troops.

The final irony is that the one area where Liberal thinking seems likely to prevail outright is also the area where it is almost certainly wrong: that is on petrol tax. Since 1974 the excise duty on petrol has risen by only 33 per cent., against 333 per cent. on table wines and 133 per cent. on tobacco. On revenue as well as environmental grounds there is a clear case for an increase now. Yet, as of this week, Mr. Pardoe believed that the Liberals had won their point. There will be no rise in petrol tax in Mr. Healey's Budget.

That bomb . . .

THE Atlantic Alliance is not exactly famed for its organisation. Over the years there have been some quite remarkable blunders—the failure to agree on an airborne warning and control system (AWACS) despite years of talk comes to mind. Yet is it difficult to recall any issue which has been quite so badly mishandled as that of the neutron bomb.

For a start, there was the confusion about its name. The neutron bomb is not a bomb at all, but a warhead for a short-range missile or shell. It might easily have been referred to by its technical name of enhanced radiation weapon or, just as accurately, as Mr. Fred Mulley, the British Defence Secretary, likes to put it, as the reduced blast weapon.

Then there was President Carter's reluctance to recommend production. Instead he left it to the Europeans to come and ask him for it. The West Germans, in particular, were deeply offended at the lack of a lead from an American President. This has not been helped by the latest reports that Mr. Carter is considering coming down against the weapon at the very moment when most of the Europeans had girded themselves to accept it at the forthcoming meeting of the Nuclear Planning Group in Denmark.

Yet there are also deeper reasons for disquiet which suggests that NATO's present strategy of deterrence and defence is not fully understood by the political leadership. NATO already relies on tactical nuclear weapons. It has to because the imbalance of conventional forces in Central Europe is so great that it needs the weapons to deter a conventional attack and, if necessary, to defend itself against it.

The neutron bomb is a tactical nuclear weapon. It differs from the weapons at present in place in that it has a more precise application. If used, it would do less damage to the adjacent areas, and it would be a formidable weapon against concentrations of tanks, the area where the Soviet Union has the most marked conventional superiority. As Mr. Zbigniew Brzezinski, President Carter's National Security Advisor, has said, if the neutron bomb were already deployed, it would be thought an act of madness to replace it with the sort of dirty nuclear weapons at present on the stocks. Yet it is just such a change towards more accurate and cleaner weapons that is now being resisted.

It is sometimes argued that it is precisely because the weapon is more accurate, and therefore more usable, that it ought to be avoided. It would lower the nuclear threshhold. That again is to misunderstand deterrence. The theory of deterrence on which the Alliance rests is that the more a potential adversary believes that weapons are likely to be used, the more he will be deterred. In that sense the neutron bomb actually raises the nuclear threshold. You can challenge that whole deterrence theory, or understandably regard it as too ghastly to contemplate, but the fact is that that is NATO strategy, and you do not do any good by denying the Alliance the means to put it into effect. Those who wish to stop the neutron bomb ought also be trying to change the entire NATO doctrine. (Some of them, of course, are).

There is also a point about arms control, to which it looks as if a decision to deploy the neutron bomb might be tied. Mr. Callaghan has sought to link the weapon with the Soviet Union's continental range strategic missile, the SS-20, the suggestion being that NATO might forgo the neutron bomb if the Russians agree to dismantle that missile. That would be better than nothing, but in practice it would not be bargaining like for like. The neutron bomb is designed as a defence against tanks and if the Russians want NATO not to deploy it, they should be asked to reduce their own tank armies in return.

Finally, if Mr. Carter does come down against production, I do not believe that it will be because of Soviet pressures but rather because of illogical reasons of his own to do with nuclear proliferation. Yet in Europe—and in Moscow—the perception will be that the Americans have yielded and that the Russians have won. That could be a very dangerous development.

Malcolm Rutherford

Letters to the Editor

Paradox of the tax system

From Mr. M. Lutyens.

Sir,—Mr. David Freud's article (April 3) highlights a basic paradox of the British tax system.

He quotes a senior Inland Revenue official as saying that the tax avoidance industry is costing the Exchequer "hundreds of millions of pounds." The implication is that the cost is an enormous annual one and if this is so, how does it equate with the (correct) statement in the same article, that top marginal rates could be reduced to 50-60 per cent. "with little cost to the Exchequer"? It is the excess over these rates which the majority of income tax schemes are designed to avoid and in overall terms the loss to the Exchequer is minute.

If the Government and the Revenue adopt retrospective legislation while maintaining marginal tax rates at their present level, they will merely accelerate the tax-payer's withdrawal of his consent to be taxed. If anything, the result will be a reduction in total revenue receipts and a still further diversion of resources to policing an already onerous and excessively complex system. The solution must be a massive cut in the marginal rates, coupled with simplification of the system of reliefs.

C. Lutyens,
Morris Graham and Partners,
Queen Anne's Gate,
Westminster SIH 9A.

Inland Revenue charges

From Mr. C. Dowding

Sir,—For how much longer will the Inland Revenue continue to charge tax paid late to interest at 9 per cent. from the first day it is due, despite appeal?

The base lending rate of the banks is now 6½ per cent. and mostly enjoys tax relief. How does the Revenue justify a usurious rate of 9 per cent. without tax relief?

This is something that the Chancellor should deal with in the forthcoming Budget.

C. Dowding.
...hard House,
...pton Montague,
...canton, Somerset.

Making use of idle sites

From Mr. N. Bilitch.

Sir,—As I understand it, a tax on land is to be equated with the public collection of the economic rent which accrues to it. The rent varies with location. It is higher in Mayfair than an equivalent area in, say, Devon. Where land is in use someone is collecting the rent; that is, either the landowner, or the latter and the current leaseholder. In other words, where land is being put to use, either for profit or pleasure, it means that someone is enjoying the rent.

Where all land rent is subject to collection, maximum usage of available land is likely to take place. It will make no difference to the user, whether for business, pleasure or the provision of a private house, to whom they pay the rent. The incidence of a land tax, in that it will encourage idle sites being pushed into use, will assuredly encourage potential users to come forward as supply rises to meet demand; I see potential demand being more readily satisfied. Thereafter, such enormities, as rent control and much needless restrictive planning regulations, would be a thing of the past. Whether any government has the courage and imagination to bring about such a state of affairs is another matter.

Like tariffs, quotas and licences in international trade, the beneficiaries from retaining the *status quo* as it pertains to land, are a powerful vested interest. What is more, they are to be found in the strangest of places. As an example, the nationalised industries which are effectively controlled by the major trades unions, occupy some of the potentially most valuable land in the U.K. They have been collecting the rent in their pay packets, leaving the rest of the community to underwrite the destruction or misuse of capital. I would collect every penny of the rent, telling them to use their capital and labour to maximise production—for their own benefit, as well as society at large!

N. A. Bilitch.
6, Rusholme Road,
Putney, S.W.15.

A tax on land

From Mr. M. Brady

Sir,—Mr. Gray (April 5) asks several questions to which I must briefly reply. While the difference in the gross rents charged for identical properties in dissimilar locations reflects a difference in ground rents, it is not so easy to calculate what portion of the gross payment in any particular location is ground rent. Whereas a 95 per cent. tax on ground rent would leave landowners with an incentive to maximise their income, a 100 per cent. tax removes this incentive and greatly encourages the mis-allocation of land. Actual rents charged in the past would be the only data available for assessing the tax due and these would become less and less useful as time passed. It is the extreme mis-allocation of land consequent upon the introduction of the single tax that would reduce our standard of living so much.

Mark Brady.
3, Elmdene Court,
Constitution Hill, Woking,
Surrey.

Urgent airmail overseas

From Mr. B. Heymann

Sir,—While sympathising with Mr. Jaspert's dilemma (April 5) I really cannot see what he is complaining about. Surely by posting the letter in central London he is saving time by not having to make a special trip to the airport.

It is logical that sorting should be centralised and that it is far more efficient to have the mail sorted in the centre of a city rather than on the outskirts.

Is Mr. Jaspert advocating two sorting offices, one in the centre of London and the other at the airport or does he expect all overseas mail to be posted at the airport?

Bernard Heymann.
Voleseal,
5, Ranulf Road, N.W.2.

New jobs in Wales

From the Chairman,
Development Board
for Rural Wales

Sir,—We are most grateful for the excellent and helpful article by Robin Reeves on March 31.

I trust you will not think me churlish if I qualify one sentence saying that the Board recently set itself a target of creating 6,000 jobs during the next five years. The only figures in the Board's recent policy document indicated that the Board's own building programmes outside Newtown represented 1,700 jobs. The Board has not set itself a target figure for the total number of new jobs, but reasonably expects that its operations, including the continued expansion of Newtown, will generate further jobs in manufacturing, in the service industries and in tourism.

All experience teaches one that it is dangerous to set definite targets over five years when many factors are outside one's control. But the progress made in the first year justifies some optimism.

Emrys Roberts,
Development Board for Rural Wales.
Ladywell House,
Newtown, Powys.

Not diplomatic immunity

From the Ambassador,
The Republic of Liberia.

Sir,—I read with interest your April 3 report (Column 1, Page 1) under the headline "Cost of Immunity." The article states that the Liberian Embassy refused to pay, and cannot be sued because of diplomatic immunity, a hospital bill from the Cornwall Area Health Authority, issued to a Liberian citizen, hospitalised in the United Kingdom in December, 1975.

A little research by your paper, which my Government holds in high esteem, would have shown that this matter involved the hospitalisation of Mr. George Martin, a Liberian, who died at the hospital. It would have also shown that the arrangement for Mr. Martin's hospitalisation was made by his family and that neither this Embassy nor the Government of Liberia was in any way involved in the transaction. But printing this article referring to "immunity" without giving more information to show how the "immunity" came about and whether it was ever invoked by the Embassy or anyone of its officers is a little on the line of sensationalism, something for which your renowned paper is not known.

The British Government's magnanimity in admitting foreign citizens for medical treatment under its comprehensive national health insurance scheme is well known and undoubtedly appreciated, and the fact that the Cornwall Area Health Authority unilaterally waived its claim for payment against the estate of the late Mr. George Martin should not in our opinion be construed as a claim of diplomatic immunity.

H. R. W. Brewer.
Embassy of the Republic of Liberia.
21, Prince's Gate, S.W.7.

Anti-dumping levy

From the Chairman,
The Valor Company.

Sir,—Unlike the trade negotiations between Japan and the United States there has been no positive outcome from those between Japan and the EEC. The negotiating difference was not one of style but of tactics. The Japanese faced specific ultimatums from the Americans but gentlemanly diplomats from the EEC who clearly fail to understand what causes the Japanese to react. Now we are faced with a major reduction in the TV industry by the closure of Thorn's two factories, neither lacking up to date investment.

What has happened in the United States this very week? The American Treasury has ruled that the Japanese have been "dumping" sets in America since 1972, that is selling overseas at prices below those in their home market. Accordingly it has imposed a retrospective anti-dumping levy of a minimum of $46m.

Are we to believe that Britain was excluded from this dumping policy? Who has enquired into it and if so what has been the finding?

Michael Montague.
Riverside House,
Corney Road, Chiswick, W.4.

Get your house bought

From Mr. R. Hargreaves

Sir,—Mr. Rennison's article on rising house prices (April 1) is only an exercise in tabulating the obvious. It is not so long ago, however, that he was demonstrating that house prices could not be expected to move up substantially. Wage restraint, pressure on living standards, potential housing surplus, builders selling at or below cost to keep out of Carey Street, were some of the main arguments.

Well, builders have never had it so bad for bankruptcies; wages are certainly not unrestrained; living standards are perhaps just beginning, but only just, to rise but you expect an increase in inflation later in the year. We don't seem to hear much of the potential housing surplus these days, although with an ageing population it might be thought to be a reasonable expectation.

One can't help thinking there is something badly amiss in the pundits' calculations. New car registrations are booming, foreign holidays likewise, and retail sales hold up remarkably well as do gambling and boozing.

I take a simplistic view. As the only result of any action taken by democratic governments to hold votes by stimulating the economy must lie in printing money when production is stagnant and even declining, the inflation merry-go-round will be speeded up again. We have had a lucky escape from the drop in metal prices, etc.—it is time they turned.

So get your house bought.

R. W. Hargreaves.
35, Elmsway, Bramhall, Cheshire.

Artisan crafts

From Mr. W. Whalley.

Sir,—Mr. W. E. G. Woods (April 3) opposes school training in handicrafts as an obstacle to subsequent industrial training. This may well be true. Surely, however, we live in a world in which the ability to do simple wood and metal work is essential to any household. Similarly improvised repairs to electrical household equipment is to-day the only alternative to throwing away still usable items.

Service of all kinds is fast disappearing and do-it-yourself is now a way of life. Only a minority of young people enter manufacturing industry, whereas the entire population needs the arts of a domestic bodger. The ability to instal a shelf in the kitchen, or extend the life of an electric iron, or do a simple bit of soldering is calculated to save an ordinary household large sums of money over a lifetime. Considerations of safety on a domestic scale are unimportant in relation to the tangible benefits to be obtained by elementary instruction in artisan crafts as applied to the home and its appliances, including the motor vehicle.

Too great an emphasis on safety and expertise are a recipe for impoverishment and dependence on self-interested exponents of built-in obsolescence.

W. C. R. Whalley.
105, High Street,
Hungerford, Berks.

To-day's Events

GENERAL

Mr. James Callaghan, Prime Minister, and Dr. David Owen, Foreign Secretary, attend two-day summit meeting of European Council in Copenhagen.

Mr. William Whitelaw, Opposition Spokesman on Home Affairs, to announce details of Conservative policy on immigration and race relations at annual meeting of Central Council of National Union of Conservative and Unionist Associations, Central Hotel, Leicester.

Publication of Civil List increases expected.

National elections in Philippines.

Honeywell, Scottish workers meet to decide on revolutionary lottery scheme intended to reduce absenteeism.

Mr. Roy Hattersley, Prices Secretary, addresses Labour Party meeting, Royal Leamington Spa, 7.30 p.m.

London Chamber of Commerce and Industry seminar on dismissal and the law, 69, Cannon Street, E.C.4, 9.30 a.m.

Sir Peter Vanneck, Lord Mayor of London, attends luncheon with chairman and directors of Morgan Grenfell, 23, Great Winchester Street, E.C.2, 1 p.m.

Queen Mother attends Royal Air Force Diamond Jubilee Concert, Royal Festival Hall, S.E.1, 8 p.m.

British Small Animal Veterinary Association Congress opens at Cunard International Hotel, W.6.

Annual conference of British Psychological Society, York.

Professor A. Kelley, Vice-Chancellor, University of Surrey, is guest speaker at the Conference for Independent Further Education, Charterhouse, Godalming, Surrey, 7.30 p.m.

Meeting of International Civil Aviation Association continues in Montreal.

Last day of National Union of Students conference, Winter Gardens, Blackpool.

Final day of Conference of European Sports Ministers, Lancaster House.

PARLIAMENTARY BUSINESS

House of Commons: Private members' motions.

OFFICIAL STATISTICS

National income and expenditure in the fourth quarter and year 1977.

COMPANY MEETINGS

Adams and Gibbon, Newcastle upon Tyne, 11. British American and General Trust, 20, Fenchurch Street, E.C., 11.30. GRA Property Trust, White City Stadium, Wood Lane, W.3.

CITY LUNCHTIME MUSIC

St. Stephen Walbrook, Richard Steele, organ, 12.30 p.m. St. Mary Woolnoth, Singers Workshop, 1.10 p.m. Church of the Holy Sepulchre, Holborn Viaduct, recorded music—Rachmaninov, 1.15 p.m. St. Martins-within-Ludgate, The Blackfriars Singers, 1.15 p.m.

COMPANY NEWS + COMMENT

Second half pick up for London Brick

AFTER DECLINING from £5.89m. to £5.61m. in the first half, a strong growth in earnings in the closing six months left pre-tax profit of London Brick Company up from £10.52m. to £12.17m. in 1977.

Turnover for the year rose from £76.58m. to £91.33m., and profit is after depreciation of £1.89m. (£1.62m.), loan stock interest of £0.93m. (same) and investment income down from £1.12m. to £0.49m.

After tax of £4.63m. (£5.33m.) net profit was £7.54m. against £5.2m last time.

A final dividend of 1.9602p takes the total for the year to 3.2274p net per 25p share compared with 2.9169p last year.

	1977 £000	1976 £000
Turnover	91,334	76,580
Trading profit	14,511	12,949
Depreciation	1,890	1,620
Interest	929	930
Investment income	492	1,123
Associates' loss	10	—
Profit before tax	12,174	10,521
Tax	4,634	5,325
Corporation tax	3,167	4,094
Deferred tax	1,420	1,239
Prior year and other adjustments	47	†8
Net profit	7,540	[illegible]
Extraord. loss	—	900
Attributable	7,540	4,296
Pref. dividends	19	19
Ord. dividends	1,920	1,600
Retained	3,308	2,381

† Credit.

● comment

London Brick's turnover in the second half was 14 per cent. up on the first half. This reflects a 6 per cent. rise in national brick deliveries, price rises in April and August, and good performance by the company's overseas interests and by its new subsidiary Croydex. As a result, pre-tax profit in the second half of £6.6m. was £1m. up on that for the first six months, and the pre-tax outcome for the year exceeded most analysts expectations.

The company's stocks of bricks are now distinctly high because the management continued throughout the year to stockpile while brick demand crept upwards. Largely because of the weather national brick sales in the first two months of 1978 have been miserable. The management's hope of cashing in on its stock position is based on the thesis that rising house prices are now close to levels that will make new housebuilding profitable again. At 66p the shares yield 7.5 per cent.

BJN REPAYING DEBENTURES

Berger Jenson and Nicholson is proposing to repay the four publicly held stocks issued by Berger itself and the stock issued by its wholly-owned subsidiary Jenson Nicholson Group.

The terms are as follows: 6¾ per cent. Debenture stock 1977-1982 at £101; 7¼ per cent. Debenture stock 1980-85 at £95; 8 per cent. Debenture stock 1986-91 at £90; and the 10 per cent. Unsecured Loan stock 1993-98 at £93.

The Jenson Nicholson stock is 6 per cent. Unsecured Loan stock 1978-83 at par.

HIGHLIGHTS

Cadbury Schweppes has turned in another lack-lustre performance, reflecting tight competition in the U.K. and the little growth that has been shown was achieved overseas. Bowater's figures are also unexciting with an 11 per cent. gain, but the company argues that they show an improvement in quality over the 1976 figures. Completing a trio of disappointing results is Taylor Woodrow, and the figures here suggest that the recession in the construction industry has finally caught up with the company. Lex also takes a look at the approach by Lonrho for the shares not already owned in Scottish and Universal Investmtnts. London Brick produced a much better second half than expected. In contrast Croda experienced a much more difficult second six months with profits falling by 37 per cent. over the period. News International's share slipped 5p on the announcement of a 16 per cent. profits gain.

News Intl. tops £18m.

Turnover for 1977 of News International the "Sun" and "News of the World" group, expanded from £140.13m. to £156.64m., and pre-tax profits rose from £15.63m. to £18.15m. with £7.9m. (£6.61m.) coming in the first half. After tax of £9.18m. (£8.13m.) full-year earnings are shown to be ahead from 37.289p to 44.735p per 25p share and the dividend total is lifted from 8p to 8.9p net with a final of 4.9p.

Profit is before extraordinary items amounting to a net surplus of £928,000 after tax (loss £141,000).

Mr. Rupert Murdoch, the chairman, says the result can be considered satisfactory but the comparative figures reflect the artificially low profit of last year due to the restrictions of the Price Commission.

The national newspapers in Great Britain are trading well despite many disruptions to production and distribution. In most other sectors of British operation trading results are currently ahead of 1977.

The publications in Australia are trading reasonably well in most areas but profits are being affected adversely by the government's tight anti-inflationary policies.

In the U.S. an improved economic climate is slow in materialising and in the short-term, there is much to be done in effecting economies, particularly in the newspaper field, if the group is to have a solid base on which to build. The directors are optimistic that publication there will prove a worthwhile long-term investment.

● comment

News International's 16 per cent. profits rise is a shade disappointing and the shares slipped 5p to 262p. The New York Post is still incurring heavy losses and this more than offset the good results from the other associates giving an overall loss of £15,000 against a profit of £1.8m. in 1976. In addition, publishing activities in Australia are still suffering from the effects of the Liberal Government's anti-inflation policies and profits are 16 per cent. lower. Papermaking, too, is still suffering the worldwide recession but the company did well to hold profits to £2.6m. Elsewhere, however, the picture is very much brighter. U.K. publishing results (63 per cent. of profits) confirms the current upward trend in the newspaper industry with the main contributor, the Sun/News of the World, lifting sales revenue by a fifth and advertising revenue by half—there was a 1p cover price rise and two rate increases during the year. There was also a substantial boost for financial services from much higher investment income—liquid funds are standing at £4.5m. (£0.9m.) while the overdraft has been cut from £4.2m. to £0.18m. The shares are on a p/e of 5.7 while the 5.2 per cent. yield is covered more than five times.

Aberthaw ahead to £1.86m.

FOLLOWING A £114,000 advance to £835,000 in midway profit, Aberthaw and Bristol Channel Portland Cement Company finished 1977 ahead from £1,677,000 to a record £1,855,000 pre-tax, on turnover of £18.89m. against £15.24m.

However, the directors warn that 1978 profits are expected to be below the 1977 level, because a very large increase in gas prices has been incurred from the beginning of this year and the rise in the price of cement has been insufficient to offset higher costs of production.

The company is negotiating to convert to coal-firing which is now more economic than gas, but the directors say this conversion cannot be completed until at least mid-1979.

The full year result was struck after depreciation of £507,000 (£358,000), struck after deferred grants released of £112,000 (£105,000). Tax takes £931,000 (£839,000) leaving net profit up from £838,000 to £924,000.

Earnings are given as 23.44p (21.23p) per 25p share and the dividend total is raised from 6.05p to 6.7574p net, with a 4p final.

Consolidated reserve has been increased by the transfer of £600,000 from profit and loss account and the release of £3.9m. from deferred tax, following the decision to adopt the proposal contained in ED19.

Maynards ahead at £1.27m.

PRE-TAX profits of Maynards, confectionary concern, rose from £1.02m. to £1.27m. for the first six months to December 31, 1977 on sales, excluding inter group sales and VAT, up from £15.49m. to £18.6m. The directors say that the confectionary trade, aided by a mild summer, enjoyed buoyant trading conditions during the period.

Group sales have increased in the current quarter, they add, and the group is continuing with its expansion programme in the manufacturing and retailing operations. And they again express their confidence in the long term future of the group.

The interim dividend is increased to 1.54p (1.4p) net per 25p share—last year's final was 3.44253p paid from record profits of £1.55m.

Sales and profits of the group's manufacturing and confectionary retailing divisions were both up on the comparative period but in the toy retailing division the directors say that competition was very intense and profit margins were eroded.

Group trading profit was up from £1m. to £1.18m. and pre-tax profit was struck after an exceptional credit of £89,000 (£24,000). Net profit came out at £623,000 (£468,000) after tax of £650,000 (£555,000).

A & C Black doubled to record £0.31m.

After being ahead from £72,000 to £135,000 at midway, A. and C. Black, publishing group, advanced in the second half and more than doubled taxable profits for the whole of 1977 from £152,000 to a record £314,000. Turnover was ahead from £1.79m. to £2.04m.

The interim dividend is stepped up to 4.9p (4.39p), the maximum permitted, with a net final payment of 2.9p. Tax for the year took £163,000 compared with £83,000 and £107,000 (£30,000) was the amount retained.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aberthaw Cement	4	July 3	6.05	6.76	6.05
Berwick Timpo	1.39	Sept. 14	1.25	2.99	2.68
Bifurcated Eng.	1.9	May 19	1.69*	2.82	2.55*
A. and C. Black	2.9	July 3	3.39	4.9	4.39
Bowater Corp.	5.7†	July 6	5.5	9.7†	8.3
British Printing	2.18	May 31	2.18	3.18	3.18
Burns-Anderson int.	0.4	May 17	0.35	—	1.45
Cadbury Schweppes	2.09	July 1	2.07	3.04	2.72
Croda	1.19	June 15	1.12	2.17	1.96
Grampian Holdings	2.49	—	2.43	3.99	3.93
Leyland Paint	2.01‡	July 3	3.57	7.01§	5.1
London Brick	1.96	July 1	1.76	3.23	2.92
Macfarlane Group	2.03	May 18	1.79	3.84	3.44
Maynards int.	1.54	May 26	1.4	—	4.84
Morgan Crucible 2nd int.	2.2	July 3	1.97	—	4.75
News International	4.9	June 1	4.3	8.9	8
Ofrex Group	2.34	May 27	2.01	3.62	3.19
Austin Reed	2.82‡	July 3	2.67	4.33	3.94
Henry Sykes	2.65	May 22	1.06	3.2	1.56
Taylor Woodrow	5.62	July 1	5	7.5	6.8
E. Upton and Sons	1.5	—	1.5	2.25	2.25
"W" Ribbons int.	1.3†	July 14	0.97	—	2.25

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § For 65 weeks.

British Printing pays same

EXTERNAL SALES for 1977 of British Printing Corporation expanded from £143.59m. to £154.86m. and pre-tax profits advanced from £3.16m. to £5.79m., but with extraordinary items absorbing £1.49m. compared with a benefit of £0.86m., the dividend total is being held at 3.1825p net.

Tax, adjusted for ED19, takes £1.92m. (£2.37m.), and earnings per 25p share are given as 11p (0.5p) before extraordinary items and exchange differences. The final dividend is unchanged at 2.1825p net.

	1977 £000	1976 £000
External sales	154,963	145,594
Trading profit	9,453	6,408
Printing	3,159	1,050
Packaging	2,613	2,335
Publishing	3,681	3,023
Interest charges	3,494	2,440
Divs. from trade investts.	—	128
Exceptional debits	131	†64
Profit before tax	5,788	3,149
Tax	1,918	2,374
Net profit	3,870	786
Outside holders	403	494
Exchange losses	319	†351
Extraordinary debits	1,490	†864
Leaving	1,659	1,707
Pref. dividends	150	150
Interim Ord. dividends	300	300
Final	564	564
Retained	535	693
Reserves	16,484	18,081

† Gains.

The exceptional items consist of redundancy payments £106,000 (£329,000), removal and reorganisation costs £45,000 (£123,000), and excess of insurance claim proceeds over book value of the assets destroyed, nil (£516,000).

Extraordinary items comprise losses incurred in Hazells Offset since closure was announced on May 11, 1977 of £2.24m. (nil); a surplus arising on the sale of investments, including the remainder of the holding in Marshall Cavendish of £432,000 (£47,000), after deferred tax of £142,000; a surplus arising on the sale of properties of £152,000 (£40,000); a surplus arising on sale of subsidiaries of £146,000 (£495,000); other profits of £22,000 (losses £142,000) and deferred tax in respect of ILS (Japan) nil (credit £424,000).

The company continues to translate foreign currencies under the closing rate method but for 1977 has brought its treatment in line with ED21. Comparatives have been adjusted accordingly resulting in the surplus of £1.66m. shown in the accounts for 1976 being excluded from trading profit and being shown separately net of deferred tax £597,000 and minority interests £116,000 less the exchange loss of £400,000 on long term financing previously treated as extraordinary.

With minor exceptions in partially owned subsidiaries, no U.K. tax other than ACT relating to dividends is likely to be paid for many years. In line with ED19 and subject to a deduction for outside interests of £102,000 the Corporation has released as a prior year adjustment £1.19m. from the balance of deferred tax at January 1, 1977 in respect of U.K. tax deferred.

The directors say it is too early to give a firm view about the prospects for 1978, but trading activity has been well maintained so far.

● comment

At the pre-tax level, profits of British Printing jumped 83 per cent., mainly on significantly higher earnings from the printing and publishing divisions in the U.K. with overseas units like K. G. Bertmarks Forlag of Sweden making its expected contribution in the second half. Compared to printing and publishing, the packaging division chalked up a slower rate of growth—12 per cent.—but this is less the contribution of Cross Paperware, which was sold early last year. The improvement in the U.K. printing and publishing industry continues into the current year and the company can take an optimistic view of its immediate prospect. However, Sun Printers, which has taken on the work done previously by Hazells Offset, since closed down, remains in the red and is unlikely to stage a turnround this year. The shares rose 2½p to 48½p yesterday, which gives an attractive rating, with a p/e of 4.2 and yield of 10.4 per cent.

Advance by Ofrex to £3.94m.

INCLUDING A first-time contribution of £507,000 from the recently acquired Howard Wall, pre-tax profits of the Ofrex Group of office supplies, etc. manufacturers and distributors, jumped from £2.19m. to £3.94m. for 1977 on turnover of £35.43m. against £24.9m. At half-way profits stood at £1.68m. compared with £1.2m.

Full-year earnings are shown at 12.61p (8.67p) per 20p share and the dividend total is lifted from 3.19p to the maximum permitted 3.62p net with a final of 2.34p.

Mr. George Drexler, the chairman, says that the buoyant trading conditions continued through the second half and this coupled with an improved performance of the manufacturing units enabled the second-half sales and profits to match the first-half records.

The most significant development in the second half was the acquisition of the Howard Wall group of companies. The gross sales of Howard Wall for the year and its pre-tax profit are in line with the forecast given in the offer document.

Although sales and profits for the first three months of 1978 for the whole group show an advance, with so many uncertainties, particularly in export markets, it would be irresponsible to make a definite forecast for the whole of 1978, says Mr. Drexler. The directors are confident that the progress shown during 1977 will continue and are working hard towards establishing another record in sales and profits in 1978.

● comment

Even excluding first-time contribution from Howard Hall the latest figures from Ofrex look very good. Sales have risen by 28.6 per cent. to £32m., thanks to a volume increase of around a fifth. Margins improved 2 points to 10.7 per cent. The rationalisation measures of the last few years have paid off, and although sales have risen sharply in the last year the rise has not been reflected by a similar rise in working capital. The stock turn which was one of the lowest in the sector is now showing an improvement on the three times figure of the previous year. And sales growth would have been higher but for exchange movements (around a third of group sales are made in overseas markets). In all Ofrex's strong performance does reflect some real improvement in office equipment markets. The shares fell back slightly from their high for the year to 116p. They stand on a p/e of 9.2, and yield 4.9 per cent. There could be some profit-taking, although its shares justify their premium rating.

NO PROBES

The following mergers are not to be referred to the Monopolies Commission: Grand Metropolitan and a controlling interest in Cantrell and Cochrane (BG); Ian Proctor Metal Masts and Sparlight; Gulf and Western holdings and Arrow Life Assurance; William Prym Werke KG/B and a substantial minority interest in Newey Group.

Brasilvest S.A.
Net asset value as of 31st March, 1978
per Cr$ Share: Cr$25.406
per Depositary Share: U.S.$12,843.6
per Depositary Share (Second Series): U.S.$12,000.0
per Depositary Share (Third Series): U.S.$11,063.2

Final quarter decline at Morgan Crucible

A DOWNTURN in the fourth quarter from £3.22m. to £2.74m. held pre-tax profits of Morgan Crucible Company at £11.94m., against £9.98m. last time, in 1977. Full year turnover was £89.95m. compared with £78.95m.

The directors say the unusually good third quarter performance proved to be a false dawn, and fourth quarter sales volumes were disappointing in most markets, with the important exception of the U.S. Sales for the final three months were £22.68m. (£21.74m.). Sales volumes to Eastern Europe were particularly down.

The final quarter trading margin was cut from 16.7 per cent. to 14.4 per cent., but they say the profit figure was reduced by currency movements of £250,000 and other unusual bunching of year end charges of £150,000. The full year trading margin was up from 14.7 per cent. to 15.3 per cent.

	1977 £000	1976 £000
Sales	89,952	78,943
Carbon	33,993	31,643
Thermic	38,033	32,586
Acorn	13,549	11,595
Other activities	3,987	3,111
Trading profit	13,620	11,598
Carbon	5,523	4,488
Thermic	5,986	5,041
Acorn	1,650	1,138
Other products	241	240
Holding company	220	691
Investment income	206	205
Net finance charges	1,385	1,820
Profit before tax	11,941	9,983
Tax	5,872	4,937
Net profit	6,069	5,046
Minorities, Pref. dividends	337	292
Extraordinary debits	202	45
Attributable	5,530	4,709
Ordinary dividends	2,203	1,954
Retained	3,427	2,755

First quarter 1978 profits are expected to be lower than the £3.12m. reported in 1977, with demand for the opening month of the latest year comparable with that of the second half of 1977. The company's January 5 view that the flow of orders at the beginning of 1978 was pleasing was not sustained.

However, the second quarter expected to show an improveme[nt] on the £2.93m. of the same peri[od] in 1977.

The application of SSAP 9 h[as] increased profit by £211,0[00] (£438,000). After tax of £5.87[m.] (£4.94m.) net profit was £6.07[m.] (£5.05m.), and earnings per 2[5p] share are shown at 14.1p (11.5p).

To take advantage of a reduction in the tax rate, a seco[nd] interim dividend of 2.204p h[as] been declared, taking the total far to 5.276p compared with 4.754p total last year.

● comment

Morgan Crucible's shortfall [in] profits in the final quarter [on] lower sales volume was perh[aps] disappointing after the good th[ird] quarter figures. But the outco[me] is not really surprising becau[se] apart from the U.S., the und[er]lying level of demand has be[en] depressed all year. Trad[ing] margins came under pressure [in] the final quarter, slipping back [to] 14.4 per cent. after 15.7 per ce[nt.] in the preceeding three mont[hs] and the low level of demand [was] aggravated by the failure of Comecon countries to come [for]ward with their usual buying [in] the closing months of 1977. [This] year the first three months [will] also be depressed but the c[om]parable three months was an [un]usually profitable period and [the] company is talking of an [im]provement in the second quar[ter]. Overall demand in the U.S. is c[on]tinuing to hold up and Morga[n is] displaying some optimism for [the] U.K. and France but the re[st,] weak areas of Canada and Co[nti]nental Europe are not show[ing] any signs of a revival in or[der]ing. Even so some analysts [are] still thinking in terms of hig[her] profits in 1978 though the sh[ares] at 121p, where the p/e is 8.4 [and] the yield is 6.7 per cent., c[ould] be in for an unexciting tim[e in] the next few months.

CROWN LIFE MOVES INTO UNIT-LINKED

Crown Life Assurance Company, a major Canadian insurance group, is extending its life assurance operations in the U.K. by expanding into the unit-linked life sector through a newly-formed subsidiary Crown Life Assurance Company, with a fully paid-up capital of £2m. It will provide a comprehensive range of unit-linked products and funds, together with low cost protection benefits.

The company will manage eight funds to which its plan will be linked-equity, property, fixed-interest, money, international, investment trust, managed and distribution. Switching between the funds will be permitted except for the managed and distribution funds. Investment will be controlled by the Crown Life investment department, advised by Barclays Bank Trust Company and in property by De Groot Collis International.

The company is launching four plans aimed at providing capital can be linked to any fund—if growth, income or both. The first is The Investment Bond, a single premium investment with a minimum outlay of £500 which linked to the distribution fun[d] minimum premium is [illegible] Income can be obtained by [illegible] the normal withdrawal faciliti[es] by linking with the Distrib[ution] Fund which is designed to p[rovide] per cent. net income withou[t en]croaching on the capital valu[e of] the units.

Two savings schemes [are] available, the Annual Prem[ium] Bond, linked to any [fund] except the Distribution [fund] providing a cash sum [after] 10 years, and the Savings [plan,] the normal unit-linked en[dow]ment assurance for terms [of 10] years or more, investment [being] linked to the managed, eq[uity,] property or investment [trust] funds. Both contracts qualif[y for] tax relief.

Finally, there is the prote[ction] plan, a unit-linked whole [life] contract where until age 55 in[vest]ment is in the managed f[und and] afterwards in any fund excep[t the] distribution fund. Addit[ional] protection can be provided [on] plans by adding convertible [term] assurance.

The parent company, C[rown] Life, has operated in the [U.K.] life assurance market for ov[er ...] years with insurances in for[ce in] excess of £800m. It has ope[rated] through its subsidiary C[rown] Life Pensions which was [estab]lished in 1975.

Cadbury just ahead after second-half slowdown

AFTER A marginal decrease in the latter 28 weeks from £30.4m. to £29.5m., pre-tax profits of Cadbury Schweppes finished 1977 just ahead from £46.4m. to £48.2m. on sales 12 per cent. higher at £883.6m. against £787m. Of trading profits (which stand at £59.4m. compared with £54.9m.) 48 per cent. came from overseas.

In their interim report the directors said that half-year figures were encouraging and full-year results were expected to show continued improvement.

After tax, in accordance with ED 19, of £15.2m. (£13.9m. restated), full-year earnings are shown at 7.94p (8.34p) per 25p share on a net basis, and 8.59p (9.45p) on a nil distribution basis. The final dividend is 2.09143p net for a maximum permitted 3.04143p (2.723p) total.

	1977 £m.	*1976 £m.
Group sales	883.6	787.0
Trading profit	59.4	54.9
Invest. income	2.8	2.8
Interest payable	14.2	12.2
Share of assocs.	0.2	0.9
Profit before tax	48.2	46.4
Tax	15.2	13.9
Net profit	[illegible]	32.5
To minorities	3.8	1.8
Extra-ord. debit	0.5	3.3
Attributable	28.7	27.2
Pref. dividends	0.1	0.1
Interim Ord.	3.5	2.4
Final proposed	7.7	7.6
Retained	17.4	17.1

* Restated.

The year-end balance sheet shows assets employed of £393.4m. (£363.1m.) and borrowings net of cash of £99.8m. (£107.1m.).

On March 31, 1978, the company raised a syndicated bank loan of $U.S.90m. The proceeds will be applied as follows: (a) $U.S.58.6m. for the proposed acquisition of Peter Paul Inc., (b) $U.S.22.5m. for the repayment of a medium-term currency borrowing, and (c) the balance to provide working capital for the group's U.S. operations.

Sir Adrian Cadbury, the chairman, says the results have been achieved in difficult trading conditions but the company has adhered firmly to the policies set out last year. To help build the market share of major brands, international marketing investment has been increased by over £10m. during 1977.

The company's two main objectives are to build the business in North America and to improve the return on assets in the U.K. In February this year the company announced that it was offering $U.S.58.6m. for the U.S. confectionery company, Peter Paul. The U.K. confectionery division made a significant contribution to last year's results, he adds.

Borrowings had been reduced by the year-end with further improvement in the control of working capital. The directors are budgeting for an increase in profits in 1978 and this should be helped by a rise in consumers' expenditure in the U.K. and by more stable raw material prices.

See Lex

Austin Reed up £720,000

Pre-tax profit of Austin Reed Group for the year to January 31, 1978 rose from £1.83m. to £2.55m. after being ahead at half-time from £0.56m. to £0.75m. Turnover was up from £31.28m. to £33.06m. but the directors say that figures are not strictly comparable due to the closure of seven uneconomic retail branches and one shirt factory during the year. Retail sales overseas declined in sterling terms as a result of the devaluation of the Scandinavian currencies, they add.

Earnings per 25p share are shown at 12.4p (9.2p) and the gross dividend is stepped up to 4.3317789p (3.9379808p) with a final of 2.8166279p.

There was a loss of £18,613 on currency conversion for the year against a gain of £179,953 last time and a deficit of £582 (£44,514) on property transactions. Tax takes £1.06m. compared with £0.84m.

The group is a menswear retailing and manufacturing concern.

	1977-78 £	1976-77 £
Turnover	33,064,061	31,282,537
U.K. retail	21,139,122	19,352,271
Overseas retail	7,173,604	7,531,478
Trade sales	4,750,935	4,368,758
Profit before tax	2,551,947	1,827,493
Currency convers'n loss	18,418	†179,953
Property deficit	582	44,514
Tax	1,063,922	835,871
Minority interest	21,283	31,093
Pref. dividends	19,613	19,644
Attributable	1,427,943	1,048,412
Ordinary dividends	327,950	292,305
Retained	1,099,993	734,107

† Gain.

● comment

Austin Reed's figures are distorted by the closure of one of its Irish shirt-making factories but even so the underlying pattern is good. Most of the closure costs, amounting to around £200,000, were written-off in 1976-77 so a reported pre-tax rise of 40 per cent. helped by a £800,000 drop in interest charges is probably nearer 25 per cent. on a comparable basis. But that is a reasonable turnout compared with menswear trade as a whole. Adjusting for shops closed, retail turnover was up by 13½ per cent., which probably means static volume, but manufacturing sales (excluding those of the shirt factory) are up about 25 per cent., which takes in a fair slice of volume growth. Leader in that division was Harry Hall; the riding wear manufacturer, where trade was very buoyant, particularly in exports which make up 60 per cent. of its sales. Some revival in home demand at the retail outlets was experienced towards the end of 1977 and this could continue into the current year, which should compensate for a tail-off in tourist buying. Overseas, Scandinavia remains dull but Holland is expected to make further headway, and the remaining Irish shirt factory is expected to return to profits this year. At 80p the p/e of 6.2 and yield of 5.6 per cent. is firmly based.

Pitney Bowes unchanged

WITH SALES AHEAD from £16.48m. to £18.97m. taxable profit of Pitney-Bowes, U.S. owned mailing business and marking equipment maker, remained little changed at £1.4m. in 1977 against £1.39m. previously. At half way profit was £0.72m. (£0.66m.).

Directors say the group was particularly affected by a slowing in demand from overseas, but say the closing months of the year indicated an encouraging increase in orders taken both in the U.K. and overseas.

Profits after loan stock interest of £165,000 (same) and before tax of £0.78m. (£0.76m.). Net profit was £0.62m. (£0.63m.).

In a re-organisation of operations a new company, Pitney Bowes Markings Systems, has been formed and has bought price marking assets and inventories from Pitney. The company's interest in Pitney-Bowes Svenska of Sweden has been sold to the parent Pitney Bowes Inc., of the U.S., and the U.K. group is taking up more shares in its Finnish subsidiary.

Taylor Woodrow reaches £22.42m.

PRE-TAX PROFITS for 1977 of Taylor Woodrow, the international engineering, construction and development group, rose from £21m. to £22.42m. with £7.73m., against £6.72m., coming in the first half. Turnover dropped from £413m. to £392m., including £30m. (£45m.) from associates.

Earnings are shown at 42p (41.5p) per 25p share and the dividend total is raised from 6.8p to 7.6029p net with a final of 5.6229p.

In the event that reduction in the basic rate of income tax is announced in the Budget, the Board will make a corresponding adjustment to the net rate of dividend recommended.

	1977 £000	1976 £000
Turnover	392,000	413,000
Trading & inv. income	27,640	23,054
Depreciation	7,219	4,490
Share of assocs.	2,000	2,379
Profit before tax	22,420	20,997
Tax*	11,296	10,412
Net profit	11,124	10,585
To minorities	1,356	1,449
Extra-ord. debit†	1,447	‡2,541
Available	8,321	11,977
Dividends	1,772	1,573
Retained	6,549	10,404

* Comprises: U.K. £6.95m. (£6.16m.), overseas £3.12m. (£2.94m.), and associated companies £1.19m. (£1.31m.). † Exchange losses on subsidiaries' retained profits £2.12m. (£2.20m. gains), realised profits less losses on disposal of properties, fixed investments, etc. £577,000 (£1,385,000), tax credit £433,000 (£1.81m. charge), minority interests £90,000 (£33,000), and associated companies net of tax £306,000 (£226,000 credit). ‡ Credits.

See Lex

Solicitors' Law sees growth for 1978

The directors of Solicitors' Law Stationery Society expect 1978 to see a continuance of the improving trend in the U.K. market and profitable development of its Belgian/French book publishing operations, resulting in steady growth above the 1977 profit level, Mr. R. A. Hodges, chairman, says in his annual statement.

He says 1977—when pre-tax profits rose 3.5 per cent. to £1.27m.—saw the marginal return to an upward profit trend, emanating from a limited expansion in traditional markets and the introduction of new products and services.

"Regrettably, all developments do not show short-term gains and we still need to reverse the trend in two areas of our operations—Belgium and reprographics."

He says the disposal of J. Frankfort S.A and the sale or closing down of its Belgian printing works will reduce overseas losses and enable more rapid progress in this area.

"These positive actions coupled with the constant monitoring of the movements of each activity within the group give your Board confidence in the future outlook, which will be further strengthened by current developments coming on stream within the next few years," he adds.

For the year there was a £0.63m. (£0.82m.) decrease in liquid funds.

Peachey on way to profits

THE ANNUAL meeting yesterday of Peachey Property Corporation was a pale shadow of last year's battle when former chairman and managing director, the late Sir Eric Miller, was forced from the Board.

Lord Mais, Peachey's chairman, told shareholders that "I believe we are now well on the way to restoring Peachey Property Corporation as a profitable property company." And Mr. John Brown, the managing director, although he refused to be drawn into giving a value of Peachey's giant Park West flat block, which is now for sale, did confirm that "we would be down to serious talking next week and could have a deal cemented within the next month."

It is understood that Peachey is negotiating the sale of the 542-flat block with a Government body that is considering taking the flats for occupation by its own staff.

Peachey auditors, Price Waterhouse came in for criticism over their role at the group under Sir Eric's management. But they were re-elected as company auditors on a narrow hand vote, and by an overwhelming majority of proxy votes cast before the meeting.

Grampian Holdings down £1.35m.

A SUBSTANTIAL fall in profits of the industrial services division cut back total profits of Grampian Holdings and the directors report a taxable result for 1977 down from £2.81m. to £1.46m. on turnover of £64.79m. against £59.22m.

At half-time, profits was down from £1.41m. to £1.14m. and the directors said that a current projection of the second half indicated that profits would be no greater than that of the first period.

Mr. D. C. Greig, the chairman, says that profits were significantly affected by downturns in certain sectors, but during the last six months much has been done to eliminate these problems by disinvestment and rationalisation. This has involved substantial non-recurring losses which are fully reflected in the results, he adds.

Trading profits of the industrial services division slumped from £1.89m. to £0.22m. but the chairman says that it is now progressing well in a market where margins are still too low. Consumer goods, slightly down at 1.43m. (£1.45m.) for the year, is performing satisfactorily, Mr. Greig adds, while printing and publishing continues to improve. Trading profits here were £105,000 compared with a loss of £300,000 for 1976.

Stated earnings are down to 13.36p (21.87p) per 25p share and the dividend is increased to 3.9925p (3.9325p) with a net final of 2.4925p.

Tax for the year of £4,000 (£453,000) includes a transfer to deferred taxation calculated in accordance with ED19—the tax charge for 1976 has been restated accordingly.

In line with this change, £2.28m. has been released to reserves at December 31, 1976 out of the deferred tax account of £4.69m. at that date.

	1977 £000	1976 £000
Turnover	64,793	59,220
Profits	1,735	3,037
Industrial services	219	1,891
Consumer goods	1,421	1,446
Printing and publishing	105	*300
Expenses†	339	339
Share of associates	[illegible]	103
Profit before tax	[illegible]	2,801
Tax	4	453
Net profit	1,406	2,338
Less‡	23	68
Extraordinary debits	38	292
Leaving	1,357	1,988
Preference dividends	60	60
Ordinary interim	152	152
Ordinary final	253	247
Balance	912	1,330

* Loss. † Of parent company including bank and Debenture interest not otherwise allocated. ‡ Amounts applicable to periods prior to acquisition, and minority interests.

The reserves at December 31, 1976 have also been restated to write-off goodwill amounting to £1,411,000 and after giving effect to this change and to the deferred tax release the restated reserves of the group at December 31, 1976 amount to £7.71m., an increase of £868,000.

The directors state that the company has agreed with Mr. Joseph King, chairman of North Sea Gas Services and Utilities, for him to buy certain assets of the English side of NSGSU's business for £667,897—the proceeds of which have been received.

Grampian has been offered £24,000 for the capital of Robert Laidlaw together with an undertaking that group indebtedness of £243,564 will be repaid over five years.

As a consequence of these sales, £667,897 has been released from the sale of the assets of NSGSU and with the sale of Laidlaw the borrowings of that company from sources within the Grampian group amounting at December 31, 1977 to £212,707 will be eliminated from group borrowings. And the guarantee of these borrowings by Grampian will be released. There is an EGM on April 21 to approve these disposals.

● comment

Latest full year figures from Grampian are accompanied by a formal letter to shareholders detailing the disposal of Robert Laidlaw and NSGSU. While the cash proceeds will have helped contain group borrowings, gearing is still high. Net short term debt has risen from £2.8m. to £5m.—nearly 100 per cent. of the group's stock market capitalisation due mainly to heavy spending on the transport fleet—while interest charges have climbed from £475,000 to £740,000. Moreover the group still has under its wing some very weak performers. These are principally in the industrial services activities, although those responsible for much of the setback in group profits over the year have been phased out. But Grampian still has the furniture side which turned out a loss of £250,000 last year. According to Grampian there are net assets at book value after disposals of around 100p but on the present trading performance that may not be much of a prop for the shares at 51p on a p/e of 3.8 (on a virtually nil tax charge) and yield of 12.3 per cent.

Bowater 11% up at £87m.

WITH A slowdown in second-half earnings from £46.8m. to £42.3m., taxable profit of Bowater Corporation ended 1977 11.1 per cent. ahead from £78.3m. to £87m. At halfway profit was £13.2m. higher at £44.7m.

Directors point out, however, that if 1977 year-end exchange rates had applied at midway the profit figure would have been reduced to £41.6m., giving a second-half result of £45.4m.

Turnover for the year was up from £1.55bn. to £1.72bn. with packaging sales ahead from £104m. to £132m., international trading and transportation up from £693m. to £784m., building products, lumber furniture and carpets £15m. higher at £102m. and retail and wholesale up from £155m. to £184m.

Two-thirds of the group profits are earned in overseas currencies, predominantly in North America, and consequently the pound's more than 12 per cent. appreciation against the dollar reduced earnings. In 1976 the falling pound benefited group figures.

When profits of both years are converted at 1977 rates, the increase over 1976 is £14.3m.

The directors say there was a real benefit to the latest year earnings by the devaluation of the Canadian dollar against the U.S. dollar, and that the impact of raw material cost increases was negligible. In 1976 stock profits were estimated at £16m.

	1977 £m.	1976 £m.
Sales	1,723	1,548
Paper, pulp	353	375
Packaging	133	104
Bldg. products, etc.	102	87
Tissue products	131	123
International trading	784	693
Retail, wholesale	184	155
Financial	3	12
Depreciation	32.1	30.3
Trading surplus	110.5	101.4
Paper	65.9	64.9
Packaging	14.2	9.7
Building	8.2	†2.1
Tissue	13.1	12.1
Trading	10.5	12.9
Retail, etc.	3.7	3
Financial	0.9	0.8
Central costs	3	2.4
Interest	20.5	20.7
Profit before tax	87	78.3
Tax	48.4	44
Net profit	38.6	34.3
Minorities	8.3	8.8
Extraordinary debits	0.1	8
Pref. dividends	[illegible]	0.3
Ord. dividends	14.1	10.4
Retained	13.8	9.1

† Loss.

Interest rates also fell in the U.K., and while this had relatively little impact on the cost of borrowings, it resulted in a low rate of return on cash funds earmarked for future investment.

After tax of £48.4m. (£44m.), minority interests of £8.3m. (£8.8m.) and extraordinary debits of £100,000 (£8m.), profit emerges at £30.2m. (£19.3m.). Earnings per £1 share are shown ahead at 21.9p against 21.3p last time, after adjustment for the one-for-seven rights issue.

As forecast at half-time the total dividend for the year is 9.7p, with a 5.7p net final. Last year 8.3p was paid. If the tax rate is reduced at the confirmation of the dividend, shareholders will receive a higher cash distribution.

See Lex

Leyland Paint at £1.73m.

PRE-TAX profits of Leyland Paint and Wallpaper for the 65 weeks to December 31, 1977 were £1.73m. compared with £1.39m. for the previous 53 weeks. Turnover turned in at £29.78m. against £20.19m.

The directors said at the nine months stage with profits ahead from £0.85m. to £0.98m. that profits for the 15 month period would compare favourably with the previous year.

Sales in the opening two months of the current year have been satisfactory, they now say, and subject to economic conditions, further progress is looked for in 1978.

Stated earnings per 25p share are up from 13.7p to 20.2p and the dividend is lifted to 7.0123p gross against 3.09985p, the maximum allowed as forecast, with a final payment of 2.0123p.

The directors state that following the decision to write £624,000 off the goodwill in the accounts at October 2, 1976, they have now decided to write off the remaining balance of £577,000. As a result of a review of the operations in East Africa it has been decided to exclude profits from this source and to write down the investment.

	65 weeks 1977 £000	53 weeks 1975-76 £000
Turnover	29,777	20,186
Interest	493	423
Pre-tax profit	1,727	1,391
Tax	329	588
Net profit	1,198	803
Extraord. debits	613	587

† ED19 adjusted.

'W' Ribbons progress

On turnover of £7.9m. against £6.63m. pre-tax profits of "W" Ribbons Holdings for the six months to December 31, 1977, rose from £334,659 to £362,012. Profit for the 1976-77 year was a record £970,000 and the directors were then confident that in the absence of unforeseen circumstances the company would enjoy a successful year in 1977-78.

On increased capital from last November's one-for-three rights issue earnings are shown at 2.85p (3.35p) per 10p share. The interim dividend is lifted to 1.3p (0.97p) and the directors say they expect to recommend a total payment of 5p gross for the year—last year's net final was 1.275p.

Group results are satisfactory the directors state despite a drop in sales volume by the German subsidiary Hansaliv, which continued to experience difficult trading conditions. The directors, however, say they have identified problems and dealt with them.

	Six months 1977 £	Six months 1976 £
Turnover	7,897,970	6,633,759
Profit	350,271	330,370
Share of assoc.	11,741	†4,911
Pre-tax profit	362,012	334,659
Tax	219,530	191,654
Net profit	142,482	143,005
Minority interests	11,880	†15,643
Attributable	154,362	127,362
Interim dividend	70,346	36,820
Retained	84,016	90,542

† Loss.

In the U.K. all group subsidiaries traded satisfactorily and continue to do so. The directors are confident of their continued success during the second half.

On the full year's results, they say that much will depend on the speed with which the measures taken in Germany can be made to produce adequate results. They are, however, confident that the steps taken in Germany are right and will enable the company in due course to make its proper contribution to group profits.

H. Sykes on target with £2.08m.

COMPARED with a forecast of not less than £2m., pre-tax profits of Henry Sykes, the pump manufacturing group, reached £2.08m. for 1977 compared with £1.78m. on sales of £19.9m. against £15.21m.

Last December the group became the first company to gain a full listing on the Stock Exchange via the over-the-counter market. ICFC has a substantial equity holding.

At midway profits stood at £1.12m. compared with £0.73m.

After tax of £1.08m. (£0.89m.), full year earnings are shown to be up from 10.4p to 11.6p per 25p share. As promised the final dividend is 2.6p net for a 3.2p (1.36p) total. Dividends of 6.061p gross—at the moment equal to 4p net—have been forecast for 1978.

Extraordinary debits for 1977 absorb £137,000 (£65,000).

COMPANY NEWS IN BRIEF

AUTHORITY INVESTMENTS—Results reported April 6. Chairman states that the past year offered the opportunity for improving the relation of assets to liabilities of the group and the banking subsidiary. Further significant progress has been made in the current year. Provided trading conditions continue as at present, the prospects are excellent for further improvement in the group's position. Meeting, Cadogan Hotel, S.W., on April 26, at noon.

BSR—Results for year to January 7, 1978, reported on March 8 in full preliminary statement. Group fixed assets £35.61m. (£29.25m.) and net current assets £52.68m. (£40.12m.). Net funds increased by £9.68m. (£16.74m.). Meeting, Savoy Hotel, W.C., April 24, at 11 a.m.

GARTON ENGINEERING—Results for 1977 reported March 22. Group fixed assets £2.28m. (£1.85m.), current assets £5.94m. (£5.45m.), current liabilities £3.5m. (£3.44m.). Chairman says directors hope for satisfactory results in current year. Meeting, Birmingham, April 28, noon.

COMALCO—Results for 1977 already known. Fixed assets $A217.3m. ($A194.88m.), investments and advances $A122.83m. ($A114.31m.), current assets $A227.22m. ($A195.21m.), current liabilities $A164.41m. ($A118.15m.). Meeting, Melbourne, April 20.

CHARLES CLIFFORD INDUSTRIES (wrought metal and metal spraying)—Results for the year ended December 31, 1977, reported March 25. Group fixed assets £1.5m. (£1.69m.), Net current assets £1.54m. (£1.21m.)—overdrafts £1.58m. (£1.93m.). Chairman says that immediate prospects can only be described as indifferent in terms of order load. Meeting, Stourbridge, May 5 at 4 p.m.

INTERNATIONAL INVESTMENT TRUST—Results for year to January 31, 1978, already known. Investments £32.97m. (£30.09m.), net current assets £1.38m. (£0.55m.). Uninvested funds increased by £1.09m. (£0.63m. decrease). Meeting, Winchester House, E.C., April 25 at 12.30 p.m.

INVESTMENT TRUST OF GUERNSEY—Results for 1977 already known. Quoted investments £8.23m. (£7.13m.), unquoted £0.73m. (£0.68m.), unrealised appreciation £3.06m. (£2.31m.). Chairman says revenue is expected to increase. Meeting St Peters Port, Guernsey, April 21, 2.30 p.m.

JOVE INVESTMENT TRUST—Gross revenue, year to February 28, 1978, £354,041 (£345,480). Revenue £199,873 (£194,309) after tax £104,059 (£108,535). Minorities £60,651 (£71,156). Earnings per 10p share 3.52p (3.36p) and net asset value 47.38p (26.21p). Second interim dividend in lieu of final 1.8p making 3.5p (3.25p) net.

KODE INTERNATIONAL (markets computer peripheral equipment, etc.)—Results for 1977 reported with prospects March 29. Group fixed assets £1.46m. (£1.26m.), net current assets £1.47m. (£0.79m.). Current cost profit £822,000. Working capital up £645,000 (down £13,000). Meeting, Calne, Wilts, April 28, noon.

LIVERPOOL DAILY POST AND ECHO—1977 results reported March 23. Fixed assets £15.81m. (£15.35).), net current assets £4.95m. (£5.21m.), current cost profit £2.83m. compared with historic £4.21m. Overall prospects for 1978 favourable.

MANCHESTER GARAGES (Ford dealer)—Results for 1977 reported March 16 in full preliminary statement. Fixed assets £1,702,738 (£1,535,473), net current assets £614,328 (£315,981), bank overdrafts £1,27,394 (£913,982). Net liquid funds up £319,500 (down £143,873). Mercantile Credit holds 30.2 per cent. of equity as at February 18, 1978. Meeting, Manchester, April 27 at noon.

NEEDLERS (confectionery maker)—Results for 1977 already known. Fixed assets £904,331 (£824,852), net current assets £723,369 (£422,125). Net liquid funds £1.05m. increase (£0.73m. decrease). Meeting, Hull, April 25, at noon.

W. J. PYKE (HOLDINGS) (butchers)—Turnover £3.24m. (£3.09m.) for half year to December 31, 1977. Trading profit £80,789 (£56,000), bank interest £25,511 (£30,000), depreciation £23,538 (£19,000). Pre-tax profit £31,740 (£6,000). Tax £16,504 (nil) and net profit £15,236 (£6,000). Pre-tax earnings per 10p share 4.15p (0.75p) and 1.99p (0.75p) after. No interim dividend. Policies adopted by directors appear to be producing reasonably good results and they remain modestly optimistic about current trading.

RENTOKIL—Results for 1977 reported March 9. Group fixed assets £13.38m. (£12.22m.). Current assets £20.38m. (£18.65m.) and current liabilities £13.85m. (£13.65m.). Historical pre-tax profit £6.55m. and £7.41m. on CCA basis, after additional depreciation £0.78m.; cost of sales adjustment £0.4m. and a gearing adjustment of £23,000. Net liquid funds increased by £1.17m. (£2.4m.). Directors expect further significant rise in group profits in 1978. Meeting, East Grindstead, April 28 at 10.30 a.m.

VIKING OIL (oil and gas exploration)—For year to September 30, 1977, exploration expenditure £939,061 (£800,243), other expenditure £39,795 (£113,909). Bank interest £54,145 (£64,415). Net current assets £57,578 (£280,405). Free funds now available amount to some £65,000. Chairman believes shareholders' interests will be best served if company does not commence any new drilling on Block during 1978. Meeting, Edinburgh, April 24, noon.

PAHANG CONSOLIDATED—Output of lode tin concentrates produced and sold for March 138 tonnes (February 137 tonnes).

MONEY MARKET

Slight shortage

Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)

Day-to-day credit appeared to be in slightly short supply in the London money market yesterday and the authorities were required to buy a moderate amount of Treasury bills and local authority bills all direct from the discount houses. Indications were that this was overdone, leaving above target bank balances to be carried forward to to-day.

The market was helped by a small fall in the note circulation and government disbursements exceeded revenue transfers to the Exchequer. Banks carried forward a slight surplus in their balances while on the other hand, there was a net take-up of Treasury bills to finance. All the day's factors appeared in pretty small amounts.

Discount houses paid around 5 per cent. for secured call loans at the start, and rates later fluctuate between 4½ per cent. and 5½ per cent. before closing at [illegible] per cent. In the interbank market overnight loans opened at 4½-5 per cent. and had eased by lunchtime to 3½-4 per cent. After a brief flurry to 5½-6 per cent. closing balances were taken at 1-3 per cent.

Rates in the table below are nominal in some cases.

Apr. 6 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦
Overnight	—	1-5¾	—	—	—	5	2-5⅛	—	—
2 days notice	—	—	5⅝	—	—	—	—	—	—
7 days or 7 days notice	—	4⅞-5½	5⅞-6	—	6⅛-6¼	5½	5-5¾	—	6⅛
One month	6¼-6⅛	6¼-6⅜	6¼	6¾-6⅝	6½-6⅝	6⅝	5¾-6	5⅞-6	[illegible]
Two months	[illegible]	6¾-6⅞	—	6⅞-6⅝	6⅞-7¼	—	6-6¼	[illegible]	[illegible]
Three months	7⅛-7	7⅛-7¼	6⅞-7⅛	7⅛-6¾	7¼-7½	7⅛	6¼	[illegible]	[illegible]
Six months	[illegible]	7⅞-8	7½-7⅞	7¼-6⅞	7⅞-8¼	—	—	—	—
Nine months	[illegible]	8⅛-8⅛	—	8¼-8	8½	—	—	—	—
One year	[illegible]	8⅜-8½	8⅜-8½	8¼-7⅞	8¾	—	—	—	—
Two years	—	—	9⅛	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 10⅛-10¼ per cent.; four years 10¾-11 per cent.; five years 11¼-11½ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 7¼-7⅛ per cent.; four-month trade bills 7⅞ per cent.

Approximate selling rates for one-month Treasury bills 5⅞-5¾ per cent.; two-month 5 29/32-5 15/16 per cent.; and three-month 5 31/32-6 per cent. Approximate selling rate for one-month bank bills 6 1/16 per cent.; two-month 6 7/16 per cent.; and three-month 6⅝-6¾ per cent. One-month trade bills 6¾-6⅞ per cent.; two-month 6⅞ per cent.; and also three-month 6 27/32-6⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association) 7 per cent. from April 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 3 per cent. Clearing Bank Base Rate for lending 6½ per cent. Treasury Bills: Average tender rates of discount 5.9962 per cent.

BIDS AND DEALS

Ward White £2m purchase

In an attempt to increase the size of its industrial footwear manufacturing activities, Ward White is to acquire the privately-owned Betts and Broughton industrial footwear company for about £2m.

In addition, Ward White is forecasting a 47 per cent. dividend increase to 6p gross, for 1978, if the Betts deal succeeds. Ward White is seeking to acquire 99 per cent. of Betts which is based in Nottinghamshire.

Betts' last accounts showed net assets of £279,000, while pre-tax profits in the year to June 30, 1977 were £525,000 on sale of £2.7m. In the half-year to December 31, 1977 Betts earned pre-tax profits of about £318,000 on sales of £1.6m.

The deal values Betts' shares at £5 each and is to be financed by the issue of £1.14m. Ordinary shares and 887,105 Convertible Preference shares of Ward White to Betts' shareholders.

EDGER SELLS HOTEL LEASE

Following Lex Service Group's £14m. sale of its leasehold on The Carlton Tower Hotel to Proteus the Guernsey based nominee company, Edgar Investments has now sold its head leasehold in the hotel.

Edger, a wholly owned subsidiary of Prudential Assurance, announced last night that agreement has been reached to sell the head lease-held from the hotel's freeholders, the Cadogan Estate —and that subject to the completion of the sale Edger intends to redeem its £1.17m. 6 per cent. First Mortgage Debenture Stock 1993/98 at par. The stock was last traded at £55¾.

ERSKINE HOUSE

Erskine House Investments has acquired the capital of PPR Security Services—a guarding and security company formerly owned by Empress Service (Holdings). The consideration is £136,000 in respect of freehold properties and £5,000 on account for the shares, whose eventual price will be determined in accordance with a formula based on the net tangible asset value of PPR as at March 31, 1978, and the adjusted certified profits of PPR for the two-year period ending March 31, 1980.

SLOUGH ESTATES

Under the agreement entered into in connection with the offer for Yorkshire and Pacific Securities in March 1969, a further 44,972 shares have been issued by Slough Estates in exchange for 12,048 shares of no par value of Slough Estates Canada.

B & C CUTS STAKE IN TRICENTROL

British and Commonwealth Shipping's stake in Tricentrol has been reduced to below the [illegible] per cent. level. B and C's subsidiary Menteith Investment Trust sold 400,000 Tricentrol shares on Wednesday at 151½p per share.

Shares still held by the subsidiary of B and C Shipping are as follows: Bricomin Investments 1.2m.; Menteith 100,000; [illegible] Investment Trust 300,000, [illegible] 1.6m. shares (4.32 per cent.)

TALBEX ACQUISITION

TALBEX, THE soap to [illegible] sing concern, is currently negotiating the purchase of a group of light engineering companies. The private engineering group, with assets of £1m., turned in pre-tax profits of £400,000 for the year to March 31, 1978. The purchase price is likely to be in the region of £1.1m.

Artoc Bank, the Bahamas based merchant bank with strong interest in the Middle East, has a sizeable investment in Talbex. This was taken with the aim to develop Talbex into an industrial holding company with subsidiary interests in the Middle East.

Since the Artoc stake was taken up Talbex has acquired James Warren. This move on effect reduced Artoc's stake in Talbex from 29 per cent. to just over [illegible] per cent.

Artoc, which intends to [illegible] James Warren's insurance [illegible] activities in the Middle East, said yesterday that plans are currently under way to form a joint company with Bain Dawes, the [illegible] based insurance broking concern.

While the activities or [illegible] of the engineering company to be acquired have yet to be revealed, they are expected to fall in with the long term objectives of Artoc.

MERSEY DOCKS

Mersey Docks and Harbour is combining with Liverpool commodity brokers [illegible] to form a new transport concern, Norco Transport.

TYNDALL GROUP

West of England Trust [illegible] 98.6 per cent. of Tyndall [illegible] not 38.6 per cent. as stated in yesterday's paper.

Tomatin prospects

Orders for malt whisky at Tomatin Distillers Co. are running ahead of those at the same time last year, and this should be reflected in 1978 profits, Mr. R. S. H. Callingham, the chairman, says in his annual statement.

He says the generally held view is that exports will increase in the next few years with a consequent increased requirement for malt whisky above the quantities currently being produced.

"This seems to be borne out by the fact that we are finding that our bonders are showing interest in increasing their business with us in 1978," he says.

Tomatin is to spend £100,000 building a plant to produce some 100 tons of saleable eels in 1979. A pilot programme was used last year to see if it was possible to farm eels on a commercial scale. The scheme uses Tomatin's abundance of purewater and waste heat.

If the scaled-up plant is a success, the company intends increasing output by substantial volumes. Indications are that the project could well produce a worthwhile profit contribution from 1979 onwards.

Profit last year increased [illegible] per cent. to £0.73m., and net assets rose from £[illegible] to £2.75m. There was a [illegible] decrease (£154,000 increase) in liquid funds.

Meeting, Mayfair Hotel, April 28, at 12.15 p.m.

Northgate may close Tynagh

THE 320 workers at Northgate Exploration's Tynagh lead-zinc mine in Galway will have to wait until the end of the month to know if they have lost their jobs, while the company considers the future of the mine, reports our Dublin correspondent.

Northgate has informed the New York Stock Exchange of a delay in the publication of its annual report, while it examines the feasibility of continuing the Tynagh operation.

The problem is the slump in the zinc market, and the falling price of lead. On present reserves, the mine has only [illegible] years or so of operation and the present state of the market would suggest continuing losses over those years.

One possibility open to Northgate would be a temporary closure, leaving the opportunity to exploit the remaining ore at some future date, when the market improves. The most recent figures show a loss for [illegible] of more than £280,000, but losses in the last quarter were estimated at £400,000.

MINING BRIEFS

KILLINGHALL TIN—March [illegible] tonnes (February 66 tonnes).

GOLD AND BASE METAL—Output of concentrates (73 [illegible] grade) for February: tin, [illegible]; columbite nil. Two months ended February 28, tin, 47 tonnes, columbite nil. [illegible] months ended February, 1977, [illegible] tonnes, columbite 1 tonne.

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Croda's poor second half

AFTER REPORTING a rise from £6.62m. to £7.66m. at half-time, Croda International incurred a poor second six months caused by slack demand coupled with severe competition in chemicals and glue operations, resulting in a pre-tax surplus for the 52 weeks to January 1, 1978 down at £13.04m., compared with a peak £15.14m. for the previous 53 weeks. External sales advanced from £181.72m. to £226.57m.

Sir Frederick Wood, the chairman, says that depressed trading conditoins in most areas have continued into 1978 and the chemical industry in particular appears to be passing through a phase of reduced activity.

In the long term, however, the group's prosperity is dependent on more permanent factors, which include the wide spread of its markets and product range and its proven strength.

Operations in food ingredients were generally satisfactory except for sales of acidulants which were affected by the poor summer. Oil refining activities improved and results in paints, inks and private label soap were very good, states Sir Frederick.

Overseas, the group's subsidiaries in Europe were on the whole more affected by adverse conditions than was the case at home. Activities in North America were satisfactory and Australia showed some recovery although the economy remains depressed.

The full-year result was before U.K. tax of £2.51m. (£3.92m.) and overseas tax £1.14m. (£1.76m.). In accordance with ED19, provision for deferred tax is now made only when a liability is expected to occur in the foreseeblae future and as a result, £12.67m. has been released to reserves from the provision at January 2, 1977.

After minorities and preference dividends, unrealised exchange losses of £547,000 (£82,000 gains), profit available to Ordinary holders was reduced from £9.47m. to £8.76m.

Basic earnings per 10p share are given as 8.95p (£9.42p) and as 8.81p (9.19p) fully diluted. A final dividend of 1.191848p net makes the maximum permitted total of 2.174587p (1.064206p).

	52 wks. 1977-78 £000	53 wks. 1976-77 £000
External sales	226,573	181,717
Trading profit	*14,892	16,162
Surplus invest. disposal	115	735
Interest payable	1,970	1,755
Profit before tax	13,037	15,142
U.K. tax	2,510	3,917
Overseas tax	1,135	1,755
Net profit	9,392	9,470
Minorities and Pf. divs.	95	92
Unrealised exchange losses	547	†82
Available to Ord.	8,750	9,470
Ordinary dividends	2,284	1,943
Retained	6,466	7,527

* Includes £1,205,000 in respect of acquisitions made during the year. † Gains.

● comment

At the half-way stage Croda International, in reporting a one-sixth rise in pre-tax profits, gave little hint of the scale of the problems that were about to affect the group, beyond pointing out that trading conditions were dull. It turns out that although the group managed to keep volume at roughly unchanged levels, trading margins tumbled from roughly 8 per cent. in January-June to 5 per cent. in the second six months. Investment dealing profits also fell, and the outcome was a 37 per cent. drop in second half profits, despite the inclusion of around £1m. from acquisitions, leaving the 1977 pre-tax total several £m. short of market expectations. Moreover there are few optimistic noises from Croda about the current year, with the first quarter staying depressed, apart from one strong feature, the U.S. operation. So in the absence of any second half recovery in the world economy Croda's profits are likely to be £12m. or less in 1978. On a yield of 6.7 per cent. at 50p the shares could be unexciting in the short term.

Berwick Timpo profit declines by £115,000

A DECLINE in second half profitability meant that taxable earnings of Berwick Timpo, the toy and game manufacturing group, declined from £995,406 to £879,850 for all 1977. Sales were higher at £12.37m. against £10.87m. almost entirely due to the inclusion for the first time of a full year's trading for Harbutt's Plasticine.

At halfway, when reporting profits ahead from £346,257 to £4028,809, Mr. J. D. Oakley, the chairman, said that with the general downturn in consumer spending, 1977 was likely to prove disappointing for the toy industry.

Tax for the year takes £354,266 (£404,585) adjusted for ED19 giving net profit of £525,593 (£500,821). After extraordinary debits and preference dividends, attributable profit fell from £504,311 to £398,030.

Stated earnings before extraordinary items are 9.5p (10.7p) per 25p share and a final dividend of 1.3947p lifts the total from 2.6812p to 2.9947p net, costing £164,225 (£147,237).

Mr. Oakley reports that during the year the re-organisation of Harbutt's was completed which involved the closure of two loss-making subsidiaries. The Park Toys factory was also closed, and no further losses will arise from this company. In addition, the restructuring of the product range at model toys has enabled the group to discontinue the use of a satellite factory.

These steps resulted in non-recurring extraordinary costs of £124,830, compared with a restated £33,778 for 1976, relating to the write-off of Harbutt's goodwill.

Flair Toys moved into profit for the first time as a result of the acquisition of Aurora Plastics (U.K.) and its best-selling model road racing sets. Harbutt's also returned a profit and the directors expect a bigger contribution from both companies during the current year.

The group has continued its policy of introducing a large range of new products and these were well received at the toy fairs. With the re-organisation of acquisitions completed, and assuming a reasonable trading climate, the chairman looks forward to an improvement in the group's prospects during 1978.

Hoover calls for stimulus

ALTHOUGH 1978 had started on a depressed level "we remain hopeful for the immediate future, providing we are given the stimulus and encouragement we badly need on the United Kingdo mmarket and this is combined with improving conditions overseas." If those events materialised, there should be worthwhile improvements in the trading position.

Mr. Boon said the company had recently launched a major new range of models and they were confident they would add new momentum to the efforts to increase market shares, turnover and profits.

He went on to point out that Hoover's investment programme across the world over the next two to three years was the largest it had ever undertaken.

Before closing the meeting, Mr. Boon indicated that it was his intention to retire as chairman towards the end of the year. He will continue to serve as a member of the Board without executive responsibilities after that time.

Macfarlane's setback

A SECOND-HALF downturn from £412,593 to £266,858 cut pre-tax profits of Macfarlane Group (Clansman) from £622,592 to £570,858 for the full 1977 year on turnover ahead at £9.28m. against £7.69m. But the directors state that all companies are now performing well and trading profitably in the early months of 1978.

The group is benefiting from recent acquisitions, they add, which are making a useful contribution to the current year's profits. As a result pre-tax profits for the first three months to March 31 are ahead at £245,000 (£122,000).

Earnings per 25p share for the year are shown to be up at 6.8p (5.27p) and the dividend is lifted to 3.84p (3.439p) with a final of 2.025p net.

Mr. Norman Macfarlane, the chairman, says that results were adversely affected by the loss of the Regional Employment Premium amounting to £67,000; a decrease in interest received of £30,000, and an exceptional trading loss in ACW of Aberdeen of £69,000 against a profit of £53,000 in 1976.

The ACW loss was incurred, he says, almost entirely because of substantial non-recurring costs involved in the development and promotion of new products in 1977. The company, he adds, has moved back into profit this year.

The subsidiaries which manufacture bottle closures and printing products mainly for the whisky industry had a further good year, and he adds that this applies particularly to Daniel Montgomery of Kirkintilloch.

Midterm rise by Burns-Anderson

Turnover for the half year to end 1977 of Burns-Anderson rose from £7.57m. to £9.5m. and pre-tax profits advanced from £201,000 to £257,000.

The directors say that ED19 has been applied and tax can only be assessed on the full year results.

The interim dividend is lifted from 0.35p to 0.4p per 10p share costing £22,000 (£19,000). Last year's total was 1.45p and pre-tax profits came to £433,000.

Mr. William Burns, the chairman, states that the trading subsidiaries in motor vehicle distribution, shop and bank fitting and steel bar reinforcement continue to increase profit and the directors are confident that management will hold or improve their share of the market. The electrical distribution company is still finding difficulty in securing business at reasonable margins and steps have been taken to vary the trading pattern.

BUX CONTAINER

Bux Container Holdings has sent to holders details of a scheme under which the £374,500 8¼ per cent. Debenture stock 1988-93 will be repaid at 95 per cent.

Bifurcated Eng. expands

PRINCIPALLY OWING to increased demand for parts feeding and packaging equipment, taxable profit for Bifurcated Engineering expanded from £1,143,000 to a record £1,397,000 for 1977, with £785,000 against £595,000 arising in the first half.

The directors say that production levels for the second half were maintained, but owing to pressure on margins and exchange losses, profit for the period declined against that earned in the opening half.

A capital expenditure programme in excess of £1m. has been initiated with the principal aim of improving productivity and hence resisting the rise in operating costs, but with the prospects of any improvement in world trade looking bleak, the directors aim is to maintain group profit at the 1977 level.

From turnover of £12.2m. (£9.84m.), exports were agai na record at £2.26m. (£2.05m.). After tax of £725,000 (£514,000), net profit for the year was ahead from £629,000 to £672,000. But an extraordinary loss this time of £81,000 on the sale of a subsidiary, leaves attributable profit slightly down at £591,000 (£629,000).

Earnings are given as 8.92p (8.35p) per 25p share. On capital increased by a one-for-five scrip issue, the dividend total is effectively raised from 2.5475p to 2.81637p net costing £212,000 (£192,000), with a 1.89967p final.

Profit was struck after depreciation of £373,000 (£356,000), accelerated depreciation £80,000 (£115,000) and interest charges of £85,000 (£127,000).

Titaghur Jute losses go on

Mr. H. J. Silverstone, the chairman of Titaghur Jute Factory Company says in his annual statement, that but for the recurring power cuts it would have been possible for group mills to have incurred much smaller losses in the current year than the £2.1m. loss in the year to June 30, 1977.

The power position has, if anything, worsened during the current year and the mills have incurred substantial losses.

The directors have decided to instal diesel generating sets to increase production to take advantage of the favourable trading conditions at present ruling in the gunny market.

The U.K. operations have had a difficult start to the current year with the continuing depression in the economy keeping down demand for some of its products.

However, the Board is reasonably confident that this year's results for these operations will not fall far behind 1976-77, he says.

Meeting, Dundee, April 28 at noon.

Albright & Wilson spending £40m.

BY KEVIN DONE, CHEMICALS CORRESPONDENT

Albright and Wilson, one of the world's five leading producers of *phosphorus-based chemicals*, is increasing its capital expenditure by more than 65 per cent. this year.

Most of the rapidly increasing investment will be shared between plants in the U.K., Canada, the U.S. and Australia. It reflects the comparative buoyancy of the major markets in which Albright is operating, which contrast sharply with some other areas of the chemicals industry.

Capital expenditure in 1978 is expected to be more than £40m. compared with some £24.5m. last year. About 60 per cent will be spent in the U.K. and some 40 per cent. overseas.

With sales up 18 per cent. last year to £338m. and pre-tax profits ahead 12 per cent. to £35.4m., Albright managed better than most chemical companies to overcome the depressed conditions of world trade.

The investment in new plant suggests that Albright is now confident that it has overcome its desperate problems with the construction of two phosphorus furnaces at Long Harbour, Newfoundland.

After years of difficulties, which brought Albright into serious financial troubles, the phosphorus plants finally came fully on stream last year. Its long-term contract for cheap power supplies in Newfoundland now offers it advantages of reduced production costs over most competitors.

Of the current investment programme £19.5m. is being spent on new phosphoric acid capacity at Whitehaven, Cumbria, and £17m. *is going to increase phosphorus*-based chemicals production at Widnes and Oldbury. Overseas £8.9m. is being spent on a sodium *chlorate plant in Louisiana*, in the U.S., and £5m. is going on a similar plant in Ontario, Canada.

Mr. David Livingstone, managing director of Albright, said yesterday that for 1978 no dramatic change was expected in the company's performance. No significant part of the business was running at a loss and none were expected to do so.

With the decline in sales particularly in North America, of sodium tripolyphosphate, a big ingredient in powder detergents, there will be a world over-supply of industrial phosphoric acid and its derivatives for the next three to four years.

But the company is confident that overcapacity will be manageable. In other areas its markets are still growing fast, said Mr. Livingstone, particularly for paper and pulp chemicals, flavours and fragrances, and fine and pharmaceutical chemicals.

After making losses in 1976, Albright's fertiliser sector reached break-even last year. Price increases of 12½ to 15 per cent. were introduced in January, but the company says it will have to raise prices again in July, perhaps by as much as 10 per cent., before it can achieve a satisfactory return on investment.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Burgess Products, Walter Lawrence.

Finals—Goode Durrant and Murray, Rawlings Bros., Sharna Ware, Wilm Industries.

FUTURE DATES

Interims—	
Kent (M. P.)	Apr. 14
Finals—	
Benford Concrete Machinery	Apr. 19
London Atlantic Invest. Trust	May 24
Menzies (John)	Apr. 19
Modern Engineers of Bristol	Apr. 24
North (M. F.)	Apr. 18
Pearson (S.)	Apr. 21
Petrocon	Apr. 27
Richardsons Westgarth	Apr. 12
Sandeman (George)	Apr. 13
Sindall (Wm.)	Apr. 12

E. Upton turns in £198,516

INCLUDING a special credit of £123,575 pre-tax profit of E. Upton and Sons rose from £36,106 to £198,516 for the 53 *weeks to January 31, 1978 on turn*over down slightly to £4.45m. compared with £4.52m. for the previous 52 weeks.

The directors reported an increased loss at halftime of £112,151 against £84,647 but they said they expected to more than recover this loss in the second half.

Earnings per 25p share are 1.72p *(0.05p) and the dividend is* maintained at 2.25p net with an unchanged final payment of 1.5p. After tax of £42,082 (£9,635) net profit emerged *as £156,484 against* £26,471. The company operates departmental stores and retail shops.

OIL AND GAS NEWS

Thistle crude goes to Germany

THE WEST German oil exploration group Deminex Deutsche Erdoelversorgungsgesellschaft has received permission from the British Energy Ministry to export 50 per cent. of its share of crude oil production from the Thistle field in the North Sea.

The Ministry's ruling makes due allowance for the company's special aim to supply the German market. The Energy Department normally requires two-thirds of offshore oil production to be refined in the U.K.

Deminex, with a stake of around 41 per cent., is the largest shareholder in the Thistle field, now being developed by the British National Oil Corporation.

Deminex also announces that it will explore and develop an 8,200 square metre area off the *south-east coast of Vietnam* in co-operation with the state oil concern Petrovietnam. The German company has signed a service contract to carry *out exploration* work as well as the development and production of any commercially viable deposits, and has taken over the financing of the project.

Deminex has agreed to train Vietnamese personnel and will support Petrovietnam through the marketing of its share of any crude oil finds. Exploratory work in the area should begin this year.

The German company will be paid for its services out of eventual production and will also have the right to acquire crude at market prices and export it freely.

* * *

Japan Oil Sands (JOSCO) has reached agreement with a Canadian oil corporation to take part in an estimated $140m. oil sand development project in Canada's Alberta province.

A letter of intent on the project has been signed between JOSCO'S subsidiary, Japan Oil Sands Primrose, and Petro-Canada, a Canadian government owned oil corporation. The letter calls for the Japanese firm to put up $C75m. (£35.3m.) in return for 25 per cent. of the concession rights of the Athabaska region.

The region's oil sands are believed to contain 160bn. barrels *of oil*, but *existing* methods to extract oil from the tar sands are still expensive and inefficient.

The development cost will be shared equally *among Japan* Oil Sands, Petro-Canada and Imperial Oil and Canada City Service. Development will start by the end of this year under a 15 year plan, details of which have yet to be worked out.

* * *

Atlantic Richfield has discovered oil and gas in an exploratory well in the Java Sea offshore Indonesia 90 miles east of Jakarta and 14 miles south east of the nearest oil producing sector of the active Ardjuna field.

Further drilling will be necessary to evaluate the potential significance of the well, PSI FN-1, which was drilled to a total depth of 4,530 feet from the Santa Fe Explorer in water 132 ft. deep.

Atlantic Richfield Indonesia is the operator for a group which holds a production sharing contract with Pertamina, the Indonesian state owned oil company.

* * *

Panarctic Oil, operator for the Arctic Islands Exploration group *which includes Phillips Petroleum* Canada and Gulf Oil Canada, says that the Panarctic et al Aieg Roche Point 0-43 well offshore the *Sabine Peninsula of* Melville Island produced gas and condensate at "significant rates" on drillstem test at 9,000 feet. The company did not elaborate on the test results.

MINING NEWS

CRA warns on near term

BY KENNETH MARSTON, MINING EDITOR

WHILE lowering economic clouds darken world metal markets, the Rio Tinto-Zinc group's 72.6 per cent.-owned Conzinc Riotinto of Australia warns that its outlook for 1978 is of "substantially lower" operating results. But despite the weak metal prices and the worrying trend,—especially for this group which is dependent on growth in world trade — *of major countries to* retreat to greater protectionism CRA anticipates a very active year.

In his *statement* with the annual report Mr. Rod Carnegie, the chairman, points out that last year's rise in net earnings to A$77.9m. (£47.7m.) from A$66.8m. was primarily a result of improved results from Hamersley Iron and Comalco aluminium. At year-end *only* the *aluminium and* lead businesses were experiencing a satisfactory demand while the immediate outlook for iron ore and coal had *become* less buoyant and zinc and copper remained depressed.

But CRA continues to look further ahead and is encouraged by the easing of cost pressures in Australia. Mr. Carnegie says that the situation has been reached in *Australia's battle against inflation* whereby the rate may fall to an annual level approaching 7 per cent. by the end of this year and thus stem the continuing deterioration in our competitive position."

In the group's lively exploration scene, a good deal of fascination surrounds the search for diamonds in Western Australia where CRA *has raised its stake* in the Ashton joint venture from 35 per cent. to 52.7 per cent.

Not surprisingly, Mr. Carnegie *holds his cards close to the chest,* disclosing only that: "We have found some diamonds in Western Australia, but whether in *commercial quantities remains to* be seen." This comment, however, is hardly likely to dampen recent sharemarket hopes.

CRA will strengthen its Malaysian tin interests by the agreement to purchase RTZ's 41.25 per cent. stake in Conzinc *Riotinto Malaysia, thereby* making the latter a wholly-owned subsidiary. CRA has also acquired a 30 per cent. stake in the new *Peransang Rio Tinto* which has been formed to build a new dredge.

It is also worth noting that as *part of its increased* overseas exploration efforts CRA is negotiating to participate in Brazil. Meanwhile, work is under way in *Indonesia. Malaysia*, the U.S., Canada, Papua New Guinea and Fiji. CRA shares were 186p yesterday.

Cost rise hits Afrikander's uranium hopes

LONG-CHERISHED hopes t[illegible] Afrikander Lease is to make come-back as a producer uranium now receive a c[illegible] douche with the news that "[illegible] directors have felt it prudent [illegible] suspend temporarily negotiati[illegible] for the sale of the major port[illegible] of the mine's projected urani[illegible] output until talks with gove[illegible] ment are concluded and a g[illegible] eral review of the feasibi[illegible] study . . . has taken place."

Since the successful complet[illegible] of feasibility studies and p[illegible] plant test work in December, inflation spiral has whipped estimated capital and operat[illegible] costs with the result that "t[illegible] is a fear that the capital [illegible] could be increased by sev[illegible] millions of rands and [illegible] operating costs would significantly higher." A [illegible] straw has been the impositio[illegible] last week's South African bu[illegible] of a 4 per cent. sales tax.

Afrikander adds that sh[illegible] holders will be informed in annual report, which is to issued before the end of Sep[illegible] ber, of any progress made negotiations with the Governm[illegible] on the project and of any [illegible] cisions taken as a result of review of the feasibility stu[illegible]

Richard Rolfe reports f[illegible] Johannesburg that the head the Anglo American Corpora[illegible] group's gold-uranium divi[illegible] Mr. Dennis Etheredge, said the Afrikander delay was not cause of inability to obtain able uranium contracts: "[illegible] is no problem in the ma[illegible] place." Nor have the feasi[illegible] studies thrown up any untov[illegible] problems with grade or m[illegible] lurgy. Following some [illegible] weakness, Afrikander sh[illegible] dropped 10p to 270p yesterd[illegible]

Major constraint on investment is poor demand for metals

FLYING IN the face of conventional wisdom that mining investment is being held back by political and fiscal factors, Mr. Philip Crowson, the senior economist at Rio Tinto-Zinc, yesterday argued that the one overwhelming constraint is weak demand for metals.

On the basis of a statistical *analysis of investment trends*, he told the Institution of Mining and Metallurgy in London that the conclusion is unsurprising, though unfashionable.

"Companies will invest whenever and wherever the demand/supply balance provides suitable opportunities. Weak demand and prices, and substantial overcapacity in many minerals are, to-day, the greatest barriers to investment," he said.

Looking at copper, zinc and nickel, where there are substantial *stockpiles, he added:* "The wonder is that any new investment is going on. Yet it is." Much of the spending represented a continuation of projects started in boom periods, but mines have a powerful incentive to invest to reduce costs. Frequently this involves extra capacity.

Mr. Crowson did not suggest that the so-called non-commercial risks were unimportant. They did inhibit investment, but they needed to be placed in perspective. They may be a largely transitory phenomenon of the 1970s.

"First, they are common to all countries, whether or not they have a mining industry. Secondly many of the revisions in mining agreements and changes in taxes in the less-developed countries are often (though not always) part of the painful transition from colonialism to independence," he said.

Acknowledging the rise in *capital costs and the decline in* profitability, Mr. Crowson argued that the industry needed to shake off its nervousness and *develop new financing methods.* If it does not others will step into the vacuum.

"The oil companies, with their very large cash flows, a strong motive for diversification, and a very long-term view, are waiting in the wings. That their previous mining ventures have not always been very successful will not necessarily stop them," Mr. Crowson warned.

Pancontinental in new search

AUSTRALIA'S Pancontinental Mining, the discoverer of the Jabiluka uranium deposit in the Northern Territory, is to link with Japan's Power Reactor and Nuclear Fuel Development Corporation in a joint venture to explore for uranium in Australia.

The joint venture agreement, now signed, is for a five-year search for uranium in areas of pre-Cambrian rocks. Panc[illegible] nental will be the operator, equity interests in the ve[illegible] will be equal. Necessary appr[illegible] have been obtained from Australian and Japanese Go[illegible] ments.

A spokesman for Pancontin[illegible] said in Sydney yesterday the joint venture will spend [illegible] A$5m. (£3m.) *and that* ex[illegible] tion is scheduled to start in [illegible] If the search leads to a m[illegible] operation the Australian com[illegible] *will reimburse the Japanese* [illegible] poration's share of the cost added.

Power Reactor and Nuclear *Development* Corporation established by the Jap[illegible] Government to explore uranium and to conduct res[illegible] into *nuclear* technology, [illegible] presently involved in som[illegible] uranium exploration pr[illegible] covering Canada, Africa, S[illegible] East Asia and Australia.

Pancontinental owns the [illegible]luka deposit on a 65-35 per basis with America's Getty and is still awaiting a Go[illegible] ment go-ahead for exploi[illegible] of the find. Shares of Pan[illegible] nental were ½ up at £10 yest[illegible]

MINING BRIEFS

MALAYSIAN TIN—Results [illegible] ended March 31: Tribute ore [illegible] tonnes (previous quarter [illegible]). Working profit [illegible].

PETALING TIN—March [illegible] tonnes (February 137 tonnes).

EX-LANDS NIGERIA—Production ore for March 38 tonnes (Febr[illegible] tonnes).

هكذا من الأصل

NORTH AMERICAN NEWS

Curtiss-Wright chairman attacks Kennecott record

BY JOHN WYLES

NEW YORK, April 6.

SINCE shareholders' votes are the target, the Curtiss-Wright-Kennecott copper corporation battle inevitably took the colouring of a political campaign today with an outspoken and highly personalised attack on Kennecott's management by Mr. T. Roland Berner, chairman of Curtiss-Wright.

Mr. Berner, a rather crusty 67-year-old former corporate lawyer, called a Press conference here this morning to deliver his first public comments since his company launched its bid last month to unseat the entire 17-member Board of Kennecott. Frequently slapping the lectern to emphasise his more pungent remarks, he lambasted the Kennecott chairman, Mr. Frank R. Milliken, and accused outside members of the copper company's Board of falling down on their responsibilities to shareholders.

Having acquired 9.9 per cent. of Kennecott's stock for $77m., Curtiss-Wright is seeking proxy support at Kennecott's annual meeting on May 2 for a list of directors committed to selling off Carborundum Company, which was acquired by Kennecott for $567m. last year.

Curtiss-Wright wants to distribute the proceeds to shareholders through a $40 a share tender offer by Kennecott for half of its outstanding stock. Worth about $666m., this form of distribution would favour Kennecott's private rather than corporate stockholders, says Curtiss-Wright because the tax levy would probably be lighter than on an alternative distribution based on $20 per share to each stockholder.

Mr. Berner claimed that as the largest U.S. copper producer, Kennecott had failed to assert any leadership within the industry. If the insurgent directors were successful, and Carbrundum sold off, "we would endeavour to cure the situation where copper is selling below cost," added Mr. Berner.

He was confident that Carborundum could be sold off for approximately the same $66 a share paid by Kennecott, asserting that United Technologies had offered $60 a share in the bid battle and the Continental Group $62 a share.

It was evident from Mr. Berner's closing remarks that Curtiss-Wright is worried about the fact that a "great deal" of Kennecott stock is held by bank nominees. Urging the banks "to go to their clients and find out how the stock should be voted," Mr. Berner referred specifically to Morgan Guaranty Trust Company, whose chairman, Mr. Walter Page, sits on the Kennecott Board.

As the single Curtiss-Wright officer on the list of 17 proposed for the Kennecott Board, and the leading architect of the intriguing enterprise, Mr. Berner concluded with a challenge which has long been the favourite tactic of the political underdog.

"I challenge Mr. Milliken to a debate to account for his stewardship," he said.

Court halts General Motors tax probe

CINCINNATI, April 6.

A U.S. Federal Appeals Court has ordered termination of a grand jury investigation of General Motors Corporation regarding questionable income tax deductions.

The court said the Internal Revenue Service erred in having one of its lawyers assigned to the Government prosecution team heading the grand jury probe in Detroit.

The court said the appointment of a lawyer to the prosecution team, after his involvement in the original IRS probe of GM, gave "the appearance of a conflict of interest."

The court, ruling in favour of a GM appeal of a lower court ruling, ordered the grand jury probe terminated, saying that an IRS agent involved in a tax case cannot also conduct a grand jury probe of the same case.

The IRS has questioned some $100m. in income tax deductions taken routinely by GM in recent years. The deductions were for materials and equipment used to make products that were not part of GM's finished products.

Reuter

Genstar to sell development offshoot

BY JAMES SCOTT

TORONTO, April 6.

A DEAL that will provide Genstar of Montreal with more than $C100m. ($U.S.87.7m.) to finance its capital expansion and reduce its short term debt has been arranged by this multinational company which is a major force in land development and house building in Canada and has its eye on expansion of its operations in the southern U.S.

An agreement in principle has been reached with Atco Industries of Calgary, the Mercantile Bank of Canada and the Toronto-Dominion Bank to turn over to them the majority equity interest in Genstar's Alberta Land Development Company subsidiary which holds about 13,000 acres for development. The transaction is subject to tax rulings and approval by regulatory authorities but Genstar epects the deal will be completed by the end of this month.

Atco is the world's largest manufacturer of transportable industrial and residential structures with operations in Canada, the U.S. and Australia and markets its products throughout the world.

Genstar, whose major shareholder is Associated Portland Cement, holding more than 11 per cent. of the issued shares (approximately 56 per cent. of the shares are held by European residents) has been selling some properties to reduce its short and long term debt, which amounts to more than $C400m., up from $C35m. ten years ago. Last year it disposed of $C150m. worth of commercial and industrial development land and revenue properties in Canada, mainly those acquired when it took over Abbey Glen Property Corporation in 1976.

At a recent meeting of financial analysts, Mr. Ross Turner, company president, said the company's Canadian operations have matured to the point where further significant expansion of existing businesses in its major market areas would yield lower returns, and as a result it would move more aggressively into the United States, which he feels holds considerable potential for Genstar.

Strong housing markets in California, increased land sales in western Canada and improved results in its chemicals, fertilisers and Canadian marine operations were responsile for an increase of 17 per cent. in the company's revenues last year to a record $C1bn. from $C88m. in 1976 and an increase of 16 per cent. in profit to a record $C64.4m. from $C55.7m.

Some people believe that the company's growth during the past ten years, which has put it among the 25 largest corporations in Canada, employing more than 12,000 people, has been mainly through acquisitions. However, Mr. Andrew MacNaughton says that in the past five years, when net capital employed increased by 16 per cent., 10 per cent. came from internal expansion and only 6 per cent. through acquisitions.

Although further direct investment in Canada has slipped in priority, Mr. MacNaughton expects good growth in its existing businesses from resource development in the Canadian north-west and construction of the proposed $C10bn. Alaska Highway natural gas pipeline. The areas for major involvement in this project would be in the supply of cement and other construction materials, heavy construction, housing and land development and marine transportation. Project management for a variety of construction work is also possible.

Although outsiders tend to view the company as a mixed group of businesses, Mr. MacNaughton says management sees them as a vertically integrated capability, allowing the company to bid on major domestic and international projects which it can not only plan and manage, but for which it can supply some of the materials and services as well.

For instance, it has participated in some of the largest hydro projects in Canada, such as the Nelson River dams in Manitoba and the Churchill Falls and James Bay projects in Quebec. It has also been involved in construction projects in Haiti and Sri Lanka and is an active partner in specialised marine ventures operating worldwide.

While anti-trust laws in the U.S. will probably prevent it from becoming as integrated in construction and materials as it is in Canada, the company is looking into other activities that relate to its existing expertise. For instance, although recent discussions regarding the acquisition of a savings and loan institution in the U.S. have been terminated, the company has not given up its long-proclaimed desire to enter the financial services sector on a more direct basis.

It is expected that during the next 12 to 18 months, Genstar will probably acquire one or more companies in this industry with a view to eventually not only supplying houses but also a financial package to accompany them.

Charge against Litton reinstated

RICHMOND, April 6.

THE FOURTH U.S. District Court of Appeals has ruled that Federal prosecutors in Alexandria, Virginia, may renew efforts to prosecute Litton Industries for allegedly filing false claims for cost overruns in the building of nuclear submarines.

U.S. District Judge Albert V. Bryant Jr. last year in Alexandria ruled that prosecutors engaged in misconduct in obtaining an indictment against Litton. The Federal Appeals Court decision overruled Judge Bryant and ordered that the case be returned to him for trial.

The indictment of Litton stemmed from a $30m. claim filed against the navy in 1972 by Litton's Ingalls Nuclear Shipbuilding division. In April 1976 the Armed Services Board of Contract Appeals awarded Litton $16m., but while the panel was considering Litton's claims, a Federal Grand Jury began looking into their propriety.

Judge Bryant had ruled that a U.S. attorney acted improperly when he threatened to prosecute Litton unless the company agreed to give up its award. However, the Appeals Court opinion written by Judge John D. Butzner, Jr. said the attorney did not attempt to coarce Litton.

AP-DJ

Flintkote hopes

Flintkote chairman and chief executive officer Mr. James D. Moran told the annual meeting that "1978 will be an even better year than 1977." The first quarter "has supported our expectations for the year" and the building materials company expects operating results to be a near-record for the period. Although a moderation in housing demand is expected during the year, increases in the non-residential building and non-building segments along with another year of increased repair and modernisation activity should more than compensate for the moderation, reports AP-DJ from Stamford.

McGraw-Hill move

Coleman American companies has signed a letter of intent for the purchase by McGraw-Hill of certain assets of Edutronics Systems International, a subsidiary of Coleman American, reports AP-DJ from New York. Edutronics is involved in the development of training systems and employing audio-visual programmes in data processing. Under a licence agreement from MvGraw-Hill Coleman American will continue to market Eductronics' products and services through its international distribution system.

Parker Hannifin

Parker Hannifin Corporation, the hydraulic systems concern, expects results for the third to March 31 to be above the year-earlier net of $7.7m. or 78 cents a share, despite "some fairly significant foreign currency losses" says Mr. Fred Downey, vice president-finance AP-DJ reports from Cleveland. The year-earlier quarter does not reflect the results of EIS Automotive which Parker Hannifin acquired in March. Earnings for the fiscal year to June 30 should exceed those for fiscal 1977.

Champion accord

Champion Spark Plug has reached a "conditional agreement" to buy a 94.4 per cent. interest in Anderson Company, a major maker of windshield-wiper parts. The price was not disclosed, reports AP-DJ from Toledo. Anderson, a closely held company based in Gary, Indiana, had fiscal 1977 sales of about $52m. and is one of the two largest makers of windshield-wiper blades and arms in the U.S.

Foster Wheeler buy

Foster Wheeler Corporation has bought a 20 per cent. interest in Q-Dot Corporation, a Dallas-based manufacturer of Heat Pipe thermal recovery units reports AP-DJ from Livingstone. It expects Q-Dot to make a major contribution to applications being developed by Foster for the chemical utility and refinery industries.

TransCanada Pipe dividend hint

BY OUR OWN CORRESPONDENT

TORONTO, April 6.

DIRECTORS of TransCanada Pipelines "are still very concerned about the percentage of net income paid out in dividends and hope that another increase can be authorised later this year," Mr. James Kerr, the chairman, told the annual meeting.

The current quarterly rate is 25.75 cents. The next payment is to be made April 28.

The company has applied to the National Energy Board to extend its natural gas transmission system from Montreal through to Quebec City on the North Shore of the St. Lawrence River and into the Eastern Quebec townships on the South Shore. The project would cost $C88m.

Studies by the company indicate that increased annual sales of about 200bn. cubic feet of gas could develop within Quebec over a five-year period following completion of proposed expansion.

According to TransCanada's calculations, the projected increase in gas consumption could replace about 100,000 barrels a day of oil imports.

As a result, Canada's balance of payments would be improved by more than $C500m. annually at prevailing oil prices.

The proposal ties in with feasibility studies now under way to bring gas from the Arctic Islands in liquefied form into Eastern Canada, which could lead to a coast-to-coast gas pipeline network in the next decade.

A liquefied natural gas receiving port and an adjacent vapourising plant that would reconvert the fuel into gaseous form at a location near Quebec City is now under consideration. The LNG terminal would be connected to the TransCanada system that now stretches from the Alebrta-Saskatchewan border to Montreal.

Amex Bank well ahead

By Michael Blanden

AMEX BANK, the London-based merchant banking subsidiary of the American Express group, reports a further sharp rise in its profits.

The consolidated pre-tax total for 1977 was £5.75m., a rise of 54 per cent. from the previous year's £3.73m.

The bank reports that the rise was achieved in spite of the less favourable interest rate trends in international money markets during the latter part of the year, as a result of the sharp rise in short-term dollar interest rates and the declining gap between short- and long-term rates.

Retailers off to good start

CHICAGO April 6.

SEARS ROEBUCK'S sales for the five weeks ended April 1 increased by 11.8 per cent. to $1.8bn. For the nine weeks ended April 1, sales increased 13 per cent. to $3bn.

Carter Hawley Stores reports from Los Angeles sales for the same five weeks were $132.8m., an increase of 5 per cent. Sales for the first two months of fiscal 1978 were $225.9m., up 7.2 per cent.

Meanwhile, F. W. Woolworth reported from New York consolidated sales for five weeks ended March 28 totalled $505.4m.

Agencies

EUROBONDS

Poor start by Gestetner

BY MARY CAMPBELL

In a performance regarded favourably by dealers the Gestetner issue started trading yesterday at a discount of 2¼ points from the issue price on the bid side but quickly moved up to a discount of 2½ points before the morning was out.

The market had moved extremely adversely during the offering period for this issue causing the coupon to be raised by half a point. Because of this adverse movement the big discount—even after deducting the 1½ per cent. allowed to members of the selling group—had caused no surprise.

Dealers also explained their favourable response by reference to the steepness of the Eurosterling yield curve: by comparison with issues in other currencies, underwriters and selling group members sitting on the bonds will be able to make up any capital loss more quickly by financing their holdings by borrowing Eurosterling short than they could in other currencies.

In the dollar sector, the main feeling continues to be some surprise at the resilience of the prices.

Norton sees further upsurge

BOSTON, April 6.

FIRST QUARTER profit gains at Norton, the abrasives manufacturer, "will substantially exceed" the 18 per cent. rate of increase posted for all 1977, according to Mr. Robert Cushman, president and chief executive officer.

Adjusted to reflect the February, 1977 merger with Christensen, Norton's first quarter income a year ago rose 11 per cent. to $9m. or $1.11 a share on a 14 per cent. rise in sales to $199.5m.

Norton, based in Worcester, Mass., makes industrial abrasives and ceramics products for the oil mining and chemical process industries as well as safety products.

The strong showing in the quarter just ended is based on "some negatives" in the first quarter of 1977 which no longer apply while "some strengths remain," Mr. Cushman said.

He listed as negatives some reorganisation costs of the Christensen merger, some problems with the coated abrasives business, foreign currency translations and a drag on profits from two lines of business which Norton has since sold. These were the plastics components business and Christensen's transportation safety systems business.

The strengths are a good demand in the abrasives business in both the U.S. and Brazil, and strong orders for diamond oil-well drilling bits, especially in the U.S.

AP-DJ

Profits rise at Lanier

NEW YORK, April 6.

LANIER Business Products, the office equipment concern reports a 37 per cent. rise in net profit in the third quarter to $2.1m. or 50 cents a share from $1.5m. or 37 cents a share for the same period last year. Sales rose 45 per cent. to $32m.

For the nine months this brings the company 30 per cent. ahead to $6m. or $1.40 per share, against $1.08, on sales ahead 40 per cent. at $89m.

AP-DJ

INTERNATIONAL FINANCIAL AND COMPANY NEWS

GERMAN NEWS

Dresdner Bank lifts domestic dividends

By Our Own Correspondent

FRANKFURT, April 6.

DRESDNER BANK, West Germany's second largest commercial bank, to-day announced a diivdend of DM9 per DM50 nominal share for 1977. Shareholders who pay West German taxes will also receive a tax redemption coupon worth DM5.06 which they can offset against personal taxes.

For 1976 the bank paid a dividend of DM10 per share but as West German corporation tax reform had not come into force there was no tax redemption coupon.

This year's hefty rise in domestic shareholders' real income to DM14.06 per share—foreign holders do not benefit from the tax coupon unless they pay federal income tax—follows a substantial increase in the bank's profit.

No 1977 figures have yet been announced but in December last year, the bank's management announced that profits for the first ten months of the year had risen by about 10 per cent.

By that time the Dresdner's balance sheet total had grown by 11.6 per cent. to DM60.2bn. ($30m) compared with a 6.5 per cent. increase during the same period of 1976.

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Berliner Handels-und Frankfurter Bank (BHF-Bank) plans a 1977 dividend of DM9 per share. No profit figures were given.

Bayer hit by slow sales and currency movements

BY GUY HAWTIN

FRANKFURT, April 6.

BAYER—THE last of the West German chemicals industry "Big Three" to report—to-day disclosed that the parent concern's pre-tax profits last year fell back by 13.5 per cent. Group world pre-tax earnings dropped by 15.4 per cent.

The setback suffered by the Bayer parent,t herefore, is a little greater than that of Hoechst, which last month announced a 12.1 per cent. decline in pre-tax earnings, but less than that at BASF which disclosed a 21.1 per cent. fall in pre-tax earnings. Hoechst and BASF have yet to report group profit performance.

As both BASF and Hoechst have been quick to point out, 1977 was a very thin year for the chemicals industry. Sales stagnated in most areas and export earnings were hard hit by currency fluctuations at a time when the low level of international demand was already exerting a strong downward pressure on prices.

Bayer hs been no exception to the rule. The parent's sales last year went up by a nominal 2.9 per cent., from DM9.66bn. to DM9.93bn. ($4.9m.). This compares with a 1976 sales increase of 21.4 per cent. Domestic sales rose from DM4bn. to DM4.22bn., while overseas business increased from DM5.65bn. to DM5.71bn.—with the percentage of exports in total turnover declining from 58.5 per cent. to 57.5 per cent.

According to the Executive Board report, business in the fourth quarter of 1977 was at a relatively low level. Home turnover dropped by 0.6 per cent. from DM980m. to DM975m. Export turnover was little changed, declining by 0.1 per cent., from DM1.357bn. to DM1.360bn. Overall the fourth quarter's turnover totalled DM2.33bn., compared with the previous year's DM2.34bn.

Pre-tax profits in 1977 dropped from DM867m. to DM750m. ($371m.) for the paretn company, while group world pre-tax earnings fell from DM1.3bn. to DM1.1bn. ($545m.). Group capital investment, on the other hand, rose from DM1.65bn. to DM1.89bn.

The group's executive Board. domestic prices and costs remained on average relatively stable, the group's executive Board said. In contrast. export-prices, primarily as a result of foreign exchange fluctuations, declined.

Production capacity in the individual sectors remained under-utilised, which resulted in substantial short-time working. However, personnel costs rose substantially, more than offsetting a small decline in raw material costs.

According to to-day's report the Bayer parent's payroll declined by 1.9 per cent. from 64.336 workers to 63.145 workers. Personnel costs, however, including social payments increased by 6.9 per cent., from DM2.64bn. to DM2.83bn.

Flick plans Gerling stake

BY JONATHAN CARR

BONN, April 6.

THE FLICK GROUP is making a further move to invest part of the proceeds of its sale of a share in Daimler-Benz—this time aiming at a controlling interest in the Gerling Insurance concern.

Flick has proposed that it take a majority stake in Versicherungs-Holding der Deutschen Industrie (VHDI), which itself has a 51 per cent. stake in Gerling-Konzern-Versicherungs-Beteiligungs AG, the holding company of the Gerling concern.

The Flick offer has a deadline of April 18. If accepted, it would mark an investment of at least a further DM100m. ($49.5m.) from the DM2bn. Flick gained through sale of a 29 per cent. share in Daimler-Benz in 1975.

Flick stands to gain substantial tax benefits if the proceeds are invested in sectors considered promotion-worthy.

Part of the funds have already been used for capital increases in two Flick subsidiaries. A further sum went to purchase a stake in W. R. Grace, the American company chiefly active in the chemical business. But there still appears to be at least DM1bn. available for further investment.

EBES profit rises as offtake slows

By David Buchan

BRUSSELS, April 6.

EBES, THE second biggest Belgian power company, has announced increased net profits of B.Frs.2.5bn. ($77m.) for 1977, compared to B.Frs.2.16bn. in 1976.

The announcement was made in a prospectus published to-day for the opening of its one-for-five rights issue.

Sales growth last year slowed down to a total of B.Frs.24.6bn., in line with the general decrease in the growth of electricity consumption last year due to depressed industrial demand.

EBES has already announced that it is maintaining the level of its dividend at B.Frs.177 on old shares and paying B.Frs.132.7 on the new ones.

The company is heavily involved in the nuclear field; last year a quarter of all Belgian electricity was nuclear-generated. This has created a considerable need for outside financing for all the power companies, and EBES in its prospectus estimates that its investments from 1978-1980 will total B.Frs.32bn.

* * *

Profits higher by some 5½ per cent. at the net level are announced by Credit Lyonnais, the State-controlled French bank. On profits of Frs.303m. ($66m.) net, compared to Frs.287m., the bank is holding its dividend at Frs.12 a share. Assets at the end of last year stood at Frs.218.4bn., a rise of more than a fifth

Wessanen plans U.S expansion

BY OUR OWN CORRESPONDENT

AMSTERDAM, April 6.

ROYAL WESSANEN, the Dutch foodstuffs group, plans to expand abroad by the acquisition of a sizeable company, very probably in the U.S. The Dutch company is currently carrying out studies through a U.S. consultants' office and hopes for a decision fairly soon, it said at the presentation of its 1977 report.

Wessanen already makes 52 per cent. of its turnover abroad. It won a contract last year to act as consultant for the construction of an animal feed plant in Romania. It reached licence-agreements in a number of countries outside Europe and last month announced the acquisition of the remaining 50 per cent. of Wessafic, previously a joint venture with Cie Franco-Indo-Chinoise of Paris. The company, which produces milk substitutes, will be renamed Wessanen France.

The company's expansion abroad has been brought about by the slowdown in the growth of the foodstuffs sector in Holland where population growth is stagnant and eating habits are changing. An international company can also more effectively overcome protectionism. Investments in Holland will be aimed at maintaining its modern facilities for food processing. Total investments this year are expected to be similar to the Fls.28m. ($12.9m.) in 1977.

Wessanen reported a 10 per cent. increase in net profits in 1977 to Fls.16.6m. from Fls.15.1m., on turnover which rose 16 per cent. to Fls.2.2bn. (Fls.1.9bn.). It proposes raising its dividend to Fls.4.60 per Fls.20 nominal share from Fls.4.40. The final dividend is Fls.3 after the interim payment of Fls.1.60. It may be taken fully in cash or in the form of Fls.1 cash and Fls.0.80 in shares.

The five divisions — cocoa and oils, animal feeds, dairy products, flour and meat — all achieved reasonable results in 1977. However, cocoa and chocolate sales were affected by the sharp rise in raw materials prices while the dairy division was adversely affected by the EEC's attempts to reduce dairy surpluses. Wessanen's bakery and meat processing operations also face strong competition. It criticised EEC policies aimed at stimulating production regardless of demand and called for the gradual abolition of monetary compensation amounts (MCA's).

Elsevier advance brings higher payout

BY OUR OWN CORRESPONDENT

AMSTERDAM, April 6.

ELSEVIER, the Dutch publishing group, has reported a 19 per cent. increase in net profit for 1977 on turnover 18 per cent. higher. Net profit rose to Fls.22.7m. ($10.5m.) from Fls.19.1m. in 1976 while sales totalled Fls.593m. (Fls.504m.).

It therefore proposes paying a Fls.5.50 dividend per Fls.20 nominal share and 5 per cent. in shares from the share premium reserve. It paid Fls.4.20 in cash in 1976 and 2.5 per cent. in share.

Net profit per share rose to Fls.26.9m. from Fls.22.80.

It attributes the improvement in its result to an expansion of its scientific journal publishing and its book retailing. A reorganisation of its U.K. and Spanish interests also showed a positive result.

Elsevier, a company with a strong international basis, recently appointed a director to the managing board to oversee the expansion of its activities on the American continent. Mr. D. P. Van der Mere (45) was formeruy senior vice president of Magnavox, the largest U.S. subsidiary of the Philips electrical group. Elsevier already has scientific journal publishing operations in New York and Mexico while it also publishes books in the U.S.

U.K. prices again cause problems for EOE

By Charles Batchelor

AMSTERDAM April 6.

THE EUROPEAN Options Exchange (EOE) saw an increase in turnover on its second day of operation but said it again experienced difficulty in getting the prices of the underlying U.K. stocks. Senior officials of the exchange have been assured that jobbers in London are co-operating fully in providing the prices and the EOE is now carrying out checks of the technical installations to see where the problem is, Dr. Lubbertus Scholten, managing director of the EOE, said.

The Managing Board of the EOE is now convinced that the failure to receive the prices of U.K. stocks for the three U.K. options traded here yesterday was not due to any lack of co-operation from London jobbers.

The prices of BP, ICI and GEC were unchanged in the first hours of trading in London yesterday and it was for this reason that no prices were received in Amsterdam, Dr. Scholten said.

He said he had been in touch with the London Stock Exchange and had been guaranteed hte prices would be provided to-day. The lack of prices of the underlying stocks meant trading in the U.K. options could not effectively start until the last hour of the EOE session yesterday. It was at first thought to be due to the unwillingness of London jobbers to provide the information, Dr. Scholten said.

The EOE traded 668 contracts to-day compared with 531 on the first day. Philips was the most active option, trading 250 contracts (94 yesterday) followed by IBM with 107 (28) and Royal Dutch, also 107. Royal Dutch was yesterday's most active option with 126 contracts. Turnover of the remaining options was Unilever 77, ICI 32, GEC 28, BP 23, Eastman Kodak 23 and GM 21.

Margaret Reid, in London writes: It was clear last night that chance and ill-luck were essentially responsible for the apparent problems over the EOE receiving prices of British shares, which are at present only being relayed through the Telekurs service from the Stock Exchange's market price display service.

Negotiations for the direct supply to Amsterdam, in the longer term, of an average of the London jobbers' prices in British shares in which the EOE trades are, however, still continuing. As previously reported in the Financial Times, the idea under discussion is that an average of the prices quoted by the various British jobbers in the relevant shares should be struck and provided to the EOE, subject to certain conditions.

The essential aim of the conditions is that the EOE should take steps to ensure that such a supply of prices would not be used to assist the creation of any unofficial kerb market on the Continent in the underlying British share.

Such an average price does not yet exist but will become available when the London options market begins on April 21.

It is worth noting that a constantly undated average price would show a trend more clearly even than would an individual jobber's price, and so would be of great value. Further talks between London and Amsterdam on the provision of average prices are to continue in the next few days.

Pierson Heldring

PIERSON Heldring en Pierson (PHP), the Amsterdam-Rotterdam Bank subsidiary, reports a satisfactory result for 1977 although a sharply higher tax charge reduced profits at the net level, Charles Batchelor writes from Amsterdam.

Pre-tax profit rose 46 per cent. to Fls.14.8m. on a balance sheet total which rose 17.5 per cent. to Fls.3.7bn. Net profit was 12 per cent. lower at Fls.11.3m. following a change in the bank's status following its acquisition by Amro Bank.

First half $11.4m. from Generale Occidentale

BY DAVID WHITE

PARIS, April 6.

GENERALE OCCIDENTALE, the food and financial group headed by Sir James Goldsmith, made a consolidated net profit of Frs.52.26m. ($11.4m) in the first half of its current financial year.

No comparative data for the latest profit is available, since this is the first time that the French umbrella company has disclosed half-year figures. In the previous full 1976-77 financial year consolidated net profit including minority interests was Frs.166.5m. ($36m.) excluding minority interests of Frs.86.4m. and holding company earnings of Frs.21.5m.

It was during this latest financial period—from July to December—that Sir James succeeded in his second attempt at buying up the remaining shares of Cavenham, the British food group.

Generale Occidentale increased its stake from 51 per cent. to 75 per cent. in May last year after its first bid to take full control had met opposition from minority shareholders. It completed its takeover in September.

Cavenham is the biggest of the group's food interests, and in turn controls the main French food arm, Generale Alimentaire.

At the end of last year Sir James, chairman and chief shareholder in Generale Occidentale, promised an increase of 20 per cent. in dividend and a more cautious approach to future takeovers. The group is divesting some of its non-food interests, including those of its U.S. subsidiary Grand Union.

Apart from food manufacture and distribution, in which about two-thirds of the group's capital is employed, its main interests are in the financial sector.

Early last year, Sir James's group bought a 45 per cent. stake in the French weekly news magazine L'Express.

* * *

Thomson-CSF proposes total 1977 dividends of Frs.10.00 on capital raised by one-for-seven scrip issue, against Frs.10.05, Reuter reports from Paris. Net parent company profit was Frs.123.1m. last year compared to Frs.81.5m. after Frs.196.1m. of depreciation (Frs.184.6m.). Group sales were Frs.9.94bn. last year against Frs.7.81bn.

In 1977, the company also made a provision of Frs.30m. as guarantee for after sales service on equipment. Consolidated sales rose 15 per cent. on a comparable basis, as in the latest Cogis Silicum Semi-Conducteurs consolidated.

At December 31, order books had risen to Frs.15bn.

MEDIUM TERM CREDITS

Philippines raises $400m.

BY MARY CAMPBELL

The Central Bank of the Philippines is raising a ten-year Eurocurrency loan of at least $400m. at a margin over interbank rates of 1 per cent. Telexes inviting banks in general to participate in the loan were sent out last night.

Early in March a group of five banks agreed to arrange a $250m. loan for the Philippines Central Bank. They did this on a "club" or equal basis (that is without any single bank managing the loan) and with an individual commitment of $20m. Since then 15 other banks have agreed to subscribe $20m. each bringing the total to $400m. Banking sources in London said yesterday that a number of other banks may come in for $20m. but there is a ceiling on the loan of $500m., the borrower's 1978 needs.

Any funds received as a result of the general market syndication will be used to reduce managers' commitment, with any increase in amount made up by the addition of further banks to the club.

A condition of the loan is that at least half must be used for purposes other than prepayment of older loans—a number of countries, particularly in the Far East, have recently been borrowing at to-day's relatively favourable rates to prepay loans contracted in previous years when rates were higher. The prepayment condition does not however include repayment of maturing loans—these may be paid off out of the "free" half of the loan.

Manufacturers Hanover is agent and co-ordinator.

Elsewhere in the market, a major talking point continues to be the Sonatrach financing for the trans-Mediterranean pipeline. The club of eight banks which is widely tipped to be given the mandate for the deal have not as yet received a reply to the proposals they submitted to the Italian company ENI and to Sonatrach. ENI is the main contractor for the pipeline project and will be paying all interest due over a rate of 8.2 per cent.

Schindler sales and orders dip

LUCERNE, April 6.

THE SWISS Schindler Holding group, a leading international manufacturer, reports a manufacturer, reports a net profit of Sw.Frs.12.9m. ($U.S.6.9m.) for 1977. This compares with Sw.Frs.8.2m. for the previous nine-months period.

Proposed dividends are effectively unchanged at Sw.Frs. per bearer share and Sw.Frs. per registered share and participation certificate, payments for the previous nine months being Sw.Frs.45 and Sw.Frs.9 respectively.

Group sales billed in 1977 were effectively lower at Sw.Frs.1.14bn. ($607m.) comparing with Sw.Frs.1.18bn. for the whole calendar 1976. The company says sales would have risen 7 per cent. without the appreciation of the Swiss franc last year.

Incoming orders total Sw.Frs.1.15bn., against Sw.Frs.1. Group orders in hand at the end of 1977 were Sw.Frs.1. (Sw.Frs.1.13bn.).

In a letter to shareholders directors state that there was a marked decline in new orders for railway carriages.

Reuter

INTERNATIONAL FINANCIAL AND COMPANY NEWS

RECORD YEAR FOR AIR-INDIA

Gulf traffic provides profits boost

BY R. C. MURTHY

BOMBAY, April 6.

AIR-INDIA, the country's flag carrier, raised its net profit by ... per cent. to an estimated ...250m. ($30m.) in the year to March. The increase is in line with the worldwide upsurge in airline business. This has become possible, says Mr. K. G. ...musamy, Air-India's managing director, because of increased load factors, stable fuel prices and increased operations to the Gulf.

The airline's passenger traffic rose by 8 per cent. in 1977-78, the number of passengers flown being 1.02m., against 943,000 in 1976-77. But the total operating revenue has registered a 12 per cent. rise, to exceed Rs.3bn. (...50m.). The Gulf route has been the most profitable, with a 100 per cent. load factor and remunerative fare structure. Over the past two months, however, traffic on this sector has fallen, on occasions to as low as 30-40 per cent., for Air-India. The route may no longer be as profitable as in the past. In the first place, the seat capacity has gone up with Gulf operators putting more wide-bodied jets into operation. The Indian Government's curbs on flight of manpower from this country and the tightening of immigration laws by those countries have slowed down traffic.

The increase in cargo tonnage was only 2 per cent., but cargo revenue rose by 8.7 per cent. to Rs.566.4m., in 1977-78. The slow growth is attributed to quota restrictions on Indian garments exports to the U.S. and EEC, as well as the Indian ban on fresh vegetable exports.

Air-India is uncertain of its prospects for 1978-79. A high load factor may not result in high profits, for an open rate situation prevails on most sectors. A *five-man* IATA *committee*, set up with a mandate to bring about unanimity on fare reductions, is expected to submit its report by mid-1978. Air-India however, sees a silver lining in the Government's decision to liberalise the foreign travel scheme.

The Indian Government has asked Air-India to take a $100m. Eurodollar loan from the State Bank of India to finance its Boeing 747 acquisitions, rather than relying on U.S. Exim Bank and other international financial institutions.

The pattern of traffic is also expected to change. More people are expected to visit the Continent and the U.S. On the arrival of one of the three Jumbos on order in July, Air-India will, for the first time, operate three India-Paris 747 terminators via Frankfurt, from August 1, as a first step to opening a new route to the U.S. and Canada. This is also a recognition by Air-India of the possibility of Paris becoming an *alternative to London as a* hopping point for North America.

Van Jacket debts estimated at $228m.

By Douglas Ramsey

TOKYO, April 6.

THE TOKYO apparel manufacturer, Van Jacket Company, has filed bankruptcy papers with a district court here seeking protection from its creditors. The company—which retails clothes for the young, and is a household word in Japan—has accumulated debts estimated by one credit agency at Y50bn. ($228m.), and is seeking a grace period to restructure its finances.

It is understood that several trading companies, including Marubeni Corporation, have lent financial support to the company in recent years, but it is unclear whether Van's backers carry sufficient weight to get a favourable decision from the court for protection under Japan's corporate rehabilitation law.

Van's failure is the second largest so far in 1978, after the much bigger Eidai group bankruptcy in February.

Toshiba sees earnings rise

TOKYO, April 6.

TOKYO SHIBAURA *Electric* Company (Toshiba) expects a 20 per cent. gain in profit to over Y13bn. ($59.3m.), before tax and special items, in the second half-year, ended in March, from Y10.80bn. in the first half.

Sales are expected to rise more than 8 per cent. to Y550bn., from Y507.96bn. in the first half.

The company benefited from capital outlay for plant and equipment by electric power companies and increased Government spending for public works.

Reuter

Arco plan to buy $A28m. stake in R. W. Miller

BY JAMES FORTH

SYDNEY, April 6.

ATLANTIC RICHFIELD (ARCO), the U.S. oil company, has agreed to buy a 32 per cent. stake in the Australian coal and shipping group, R. W. Miller (Holdings) for $A28.25m. ($US32.4m.). The deal, which had been strongly rumoured for several weeks, is subject to approval by the Federal Government's Foreign Investment Review Board.

If it is successful, Arco will join an increasin list of oil majors which have bought into Australian coal activities. They include Shell taking a stake in the New South Wales coal producer, Austen and Butta, Exxon buying into the Hail Creek coking coal project in Queensland and British Petroleum, which bought 50 per cent. of the U.S. Ludwig Group's Clutha coal operations and is awaiting approval to purchase 50 per cent. of a new coal mine planned by the NSW producer, Oakbridge.

Arco, one of the top ten oil companies in the U.S., has been active in oil and mineral exploration in Australia for more than 20 years. It controls the mining group Anaconda, which has also been active in Australia.

The Miller parcel involved is owned by Bulkships, the shipping group, which is 62.5 per cent. owned by the International Transport group, Thomas Nationwide Transport and 37.5 per cent. by the shipping company, McIlwraith McEacharn. Payment would be $A10.25m. when the deal is closed and the balance of $A18m. in two equal annual instalments with interest on the unpaid balance.

Miller's major activity in recent years has been the continuing development of its coal interests: it was in hotels but these have all been sold off in recent months.

In the past year, Miller increased its coking coal contract to the Japanese steel mills and became the first Australian supplier to enter into a long term steaming coal contract, with the Electric Power Development Corporation of Japan. Coal for this contract is earmarked for development of a new mine at Mt. Thorely in NSW. Miller also joined with the U.S. group, Houston Oil and Minerals in examining a large coking coal deposit at Oaky Creek in Queensland.

While the proposed sale comes within the equity guidelines of both the Federal and NSW governments, the question of control is still to be resolved.

Miller has been controlled since 1972 by Bulkships and Ampol Petroleum. This arose out of an intense takeover battle—which ultimately went to the *Privy Council*

The end result was that Howard Smith obtained 35 per cent., but Ampol and Bulkships agreed to pool their 32 per cent. holdings and to control Miller jointly. This arrangement was embodied in a letter of intent which also gave Ampol or Bulkships the right of first refusal if the other wished to sell its Miller stake. The Bulkships parcel, it appears, was offered to Ampol, but it was not prepare dto pay more than $20m. and did not make an offer.

If the present arrangement transferred to Atlantic Richfield, the authorities might decide that a U.S. group was in a position to exercise control. The NSW guidelines on foreign investment in mining companies give it the right to vary previously determined conditions of mining leases where a "significant change in ownership" takes place.

Ampol presumably would prefer to retain its ability to influence the management of Miller, but Howard Smith, which still only has one member on the eight man Miller board, is opposed to the possibility of Atlantic Richfield obtaining more control than the voting rights *attaching to the 32 per cent.* shareholding of Bulkships.

Pick'n Pay maintains expansion

By Richard Rolfe

JOHANNESBURG, April 6.

THE FOOD RETAILING Group, Pick 'n Pay, which controls 40 supermarkets throughout South Africa and has led the movement towards U.S. style hypermarkets, maintained its long-running growth record over the financial year to February 28.

Turnover rose from R260m. to ...0m. ($380m.), and pre-tax profit from R7.6m. to R10.6m., showing margins a shade higher, at 3.2 per cent., against ... per cent., an important factor in this high-volume business.

Taxed profit improved from ...m. to R6.5m. ($7.5m.), and earnings per share were up from 198 cents to 260 cents, after allowing for dividends on the group's convertible Preference share issue last June. The dividend has been raised from 65 cents to 86 cents, and the shares at 1,825 cents yield ... per cent.

The group chairman, Mr. Raymond Ackerman, said to-day that the current year had started "very strongly" and the growth of between 15 and 20 per cent. in pre-tax profits was expected.

Last year's figures included the initial expenses of two new hypermarkets, while a third came on stream right at the end of the financial year.

Japanese airline revenues soar

BY YOKO SHIBATA

TOKYO, April 6.

JAPAN'S THREE major airlines carried a record number of passengers on domestic routes in the fiscal year to March, 1977, according to figures out to-day. Three airlines set a record of 32.17m. passengers, an increase of 17 per cent. over the previous year.

The handsome gain is attributed to a shift of travellers to the airlines away from rail travel after fare increases on the Japan National Railway in November, 1976. The JNR's rises resulted in higher fares on most JNR first-class coach journeys than on ordinary fares for the same air routes.

TDA domestic airlines (*TDA*) carried 5,950,000 passengers, up 19.7 per cent. over fiscal 1976. Domestic passengers carried by Japan Airlines (JAL) were 18,221,000, up 17.5 per cent., and those on All Nippon Airways (ANA) wer 18,004,000, up 15.3 per cent. The three airlines said that the sizeable gain in the number of passengers also stemmed from the improvement of seat-occupancy rates. The load factor at TDA improved considerably to 75.1 per cent. from 69.8 per cent. in the previous year; that of ANA was 72.1 per cent., up from 66 per cent.; and JAL showed 66.8 per cent.

Matched by the increase in passengers, revenues also went up at three airlines: TDA showed an increase of 21.1 per cent., ANA 16 per cent., and JAL 15 per cent.

After the opening of Narita, the controversial international airport, the carriers expect that the number of landings and take-offs from Haneda airport (domestic only) will increase. An average 14 per cent. fare rise on Japan National Railway's routes this June is also expected.

Rapid growth at Jusco

BY OUR OWN CORRESPONDENT

TOKYO, April 6.

ONE OF Japan's leading supermarket chains, Jusco, showed a 25 per cent. rise in sales and a 37 per cent. increase in net profits in the year to February 1978. The company, which began to borrow internationally from 1977, has therefore announced that it will boost its annual dividend by three per cent.—the first dividend increase since 1974. In the meantime, Jusco is predicting that its sales will rise by over 18 per cent. in 1978-79 to permit a 21.6 per cent. jump in net profit for the year.

Sales in the 1977-78 year rose to Y379bn., ($173.2m.) according to Jusco officers, and recurring profits increased 23.2 per cent. to Y9bn. ($4.1m.). After taxes and other accounting measures, the net income of Jusco for the year was Y4.8bn. Much of the sales increase is ascribed to Jusco's takeover in August of Itohan, a retail store chain formerly part of the Isejin group.

The Jusco group is expanding rapidly. It opened 15 stores in the fiscal year to February at a cost of Y27bn. to the company. There are plans to open another 19 stores in the present accounting year, although the Finance Ministry recently turned down a Jusco request to raise funds on overseas capital markets as it had done in 1977 (in London). Instead, the company is reportedly planning a new domestic share offering, perhaps in late 1978.

Exchange questions Boral bid

BY OUR OWN CORRESPONDENT

SYDNEY, April 6.

BUILDING PRODUCTS group Boral to-day bought another 3 per cent. of the capital of Australian gypsum, lifting its holding to 40 per cent., but disputed a suggestion by Sydney Stock Exchange that this represented control.

The Exchange had asked Boral *whether it intended to make a* full take-over offer, following its disclosure on Tuesday that it held 37.3 per cent. of Australian Gypsum's capital.

The Exchange also asked whether Boral intended to continue buying shares in the market and to what extent, and what Boral's intentions were for the future structure, operations and ownership of Australian Gypsum.

The only definite reply from Boral was that it intended to continue buying on the market, but the percentage target was not identified.

The result was that another 1m. shares were sold in Melbourne and Sydney, with the price fluctuating between $A2.08 and $A2.00.

This compares with the top price of $A2.20 paid for the bulk of the sales over the previous three days when Boral lifted its stake from 6 per cent. to 37 per cent. A number of large institutional holders managed to obtain the top price.

The subsequent drop in the market price presumably reflects uncertainty by shareholders on the likelihood of a full bid and a belief that Boral now has control, as the share register of Australian Gypsum is widespread, apart from institutional holdings.

The exchange asked for the information to ensure a properly informed and orderly market. The Boral Board replied that they were considering whether to make a formal takeover offer for remaining shares and would advise the exchange when they had made a decision.

Boral said that events had moved so quickly that the directors had not considered their intentions. The Board pointed out that Boral only started buying on February 9 and at the start of this week held only 6.6 per cent. of the capital.

Substantial quantities of shares were bought by Boral "and by others" on Monday, but on Tuesday, with the apparent withdrawal of the other large buyers, Boral purchased large quantities of Australian Gypsum stock. Boral directors, therefore, had to consider the position and would advise their future intentions "in due course."

While they are deciding, the company is apparently still mopping up shares. The present stake must already represent a cash outlay of around $A22m. ($US25.3m.).

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Alcan Australia 8½pc 1989	95¾	96½
AMEV 8pc 1987	96½	97
Australia 8½pc 1992	94½	95
Australian M. & S. 9½pc '92	97½	98½
Barclays Bank 8½pc 1992	97	97½
Bowater 9½pc 1992	97½	98
Can. N. Railway 8½pc 1986	97½	98½
Credit National 8½pc 1986	97	97½
Denmark 8½pc 1984	100	100½
ECS 8pc 1985	95½	96½
ECS 8½pc 1987	93½	94½
EIB 8½pc 1992	93	93½
EMI 9½pc 1989	97½	98½
Ericsson 8½pc 1989	95½	96½
Esso 8pc 1986 Nov.	101½	102
Gt. Lakes Paper 8½pc 1984	99	99½
Hamersley 9½pc 1992	99½	100½
Hydro Quebec 9pc 1992	96½	97
ICI 8½pc 1987	97	97½
ISE Canada 9½pc 1986	101½	104½
Macmillan Bloedel 9pc 1992	96½	97
Massey Ferguson 9½pc '91	96	97
Michelin 9½pc 1988	101½	102½
Midland Int. Fin. 8½pc '92	98	98½
National Coal Bd. 8pc 1987	94½	95½
National Westmnstr. 9pc '86	101	101½
Newfoundland 9pc 1989	100½	101½
Norges Kom. Bk. 8½pc 1992	96½	97½
Norpipe 8½pc 1989	96½	97½
Norsk Hydro 8½pc 1992	96	96½
Oslo 9pc 1988	101½	101½
Ports Autonomes 9pc 1991	98½	99½
Prov. Quebec 9pc 1993	96½	97
Prov. Saskatch. 8½pc 1986	99½	100½
Reed International 9pc 1987	93½	94½
RHM 9pc 1992	95	97½
Selection Trust 8½pc 1989	90½	91½
Skand. Enskilda 9pc 1991	90½	103
SKF 8pc 1987	92½	93½
Sweden (K'dom) 8½pc 1987	93½	94½
United Biscuits 9pc 1989	98½	99½
Volvo 8pc 1987 March	92½	93½
NOTES		
Australia 7½pc 1984	95½	96½
Bell Canada 7½pc 1987	94½	95½
Br. Columbia Hyd. 7½pc '85	94½	95½
Can Pac. 8½pc 1984	99½	100½
Dow Chemical 8pc 1986	97	97½
ECS 7½pc 1982	96½	97½
ECS 8½pc 1989	95½	96
EEC 7½pc 1982	96½	97
EEC 7½pc 1984	95½	95½
Enso Gutzeit 8½pc 1984	96½	97½
Goraverken 7½pc 1982	97½	98
Kockums 8pc 1982	98½	99
Michelin 8½pc 1982	99½	100½
Montreal Urban 8½pc 1981	101	101½
New Brunswick 8pc 1984	96½	97½
New Bruns. Prov. 8½pc '83	100½	101
New Zealand 8½pc 1986	98½	99
Nordic Inv. Bk. 7½pc 1984	93½	94
Norsk Hydro 7½pc 1982	97½	98
Norway 7½pc 1982	96	98½
Ontario Hydro 8pc 1987	96½	97
Singer 8½pc 1982	100½	101
S. of Scot. Elec. 8½pc 1981	99½	100½
Sweden (K'dom) 7½pc 1982	97½	98
Swedish State Co. 7½pc '82	97½	98½
Telmex 9½pc 1984	99½	100½
Tenneco 7½pc 1987 May	93½	94½
Volkswagen 7½pc 1987	94½	95½
STERLING BONDS		
Allied Breweries 10½pc '90	94½	95½
Citicorp 10pc 1983	93	93½
Courtaulds 9½pc 1989	94½	95
ECS 9½pc 1989	96	97½
EIB 9½pc 1988	97½	99
EIB 9½pc 1992	93½	94½
Finance for Ind. 9½pc 1987	93½	95½
Finance for Ind. 10pc 1989	95½	96½
Fisons 10½pc 1987	93½	99
Gestetner 11pc 1988	97½	98½
INA 10pc 1988	94½	95½
Rowntree 10½pc 1988	94½	93½
Sears 10½pc 1988	94½	93½
Total Oil 9½pc 1984	94½	93½
DM BONDS		
BFCE 5½pc 1988	100½	101½
BNDE 6½pc 1986	98	99½
CFE 6½pc 1989	97½	98½
Denmark 5½pc 1984	100½	101
ECS 5½pc 1990	98	99½
EIB 5½pc 1989	99½	99½
Euratom 5½pc 1987	100	100½
Eurofima 5½pc 1986	100½	101
Finland 5½pc 1986	99	99½
Forsmarks 5½pc 1990	99½	100
New Zealand 5½pc 1986	101	101½
Norcem 5½pc 1989	101	101½
Norway 4½pc 1983	102	102½
Philippines 6½pc 1983	97	97½
Sweden 6pc 1989	101½	102½
Tauernautobahn 5½pc 1993	100	100½
TVO Power Co. 6pc 1993	99	99½
Venezuela 6pc 1988	98	99½
World Bank 5½pc 1990	99½	100½
FLOATING RATE NOTES		
Bank of Tokyo 1984 7 15/16 pc	99½	99½
BFCE 1984 6½pc	99½	99½
BNP 1983 8 1/16 pc	99½	99½
CCF 1983 8pc	99½	100½
CGMF 1984 7½pc	98½	99
Creditanstalt 1984 7½pc	99½	100½
Credit Lyonnais 1982 8pc	99½	100
DG Bank 1982 7 15/16 pc	99½	100½
GZB 1981 8½pc	100½	100½
Intl. Westmnstr. '84 7 15/16 pc	99½	100½
Lloyds 1983 7½pc	100½	100½
LTCB 1983 8pc	99½	100½
Midland 1982 8pc	101½	101½
Midland 1987 7 11/16 pc	99½	99½
OKB 1983 7½pc	99½	100½
SNCF 1985 8½pc	99½	99½
Std. and Chtrd. '84 7 11/16 pc	99½	100
Wms. and Glyns '84 8 1/16 pc	99½	100½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4½pc '87	83	84½
Ashland 5pc 1988	83½	97
Babcock & Wilcox 6½pc '97	91½	93½
Beatrice Foods 4½pc 1992	92½	94
Beatrice Foods 4½pc 1992	107½	103½
Beecham 6½pc 1992	97½	98½
Borden 5pc 1992	99	100½
Broadway Hale 4½pc 1987	79½	80
Carnation 4pc 1987	76½	78
Chevron 5pc 1988	124	125½
Dart 4½pc 1987	78	79½
Eastman Kodak 4½pc 1988	87½	81
Economic Labs. 4½pc 1987	77	78½
Firestone 5pc 1988	80	81½
Ford 5pc 1988	80	80½
General Electric 4½pc 1987	83½	84
Gillette 4½pc 1987	78½	80
Gould 5pc 1987	109½	111
Gulf and Western 5pc 1988	84½	86
Harris 5pc 1992	140	131
Honeywell 6pc 1986	88½	90
ICI 6½pc 1992	80½	87½
INA 6pc 1997	93½	97
Inchcape 6½pc 1992	110½	111½
ITT 4½pc 1987	79	80½
Jusco 6pc 1992	121½	123
Komatsu 7½pc 1990	128½	120½
J. Ray McDermott 4½pc '87	147½	149½
Matsushita 6½pc 1990	159½	160½
Mitsui 7½pc 1990	127½	127½
J. P. Morgan 4½pc 1987	92½	94
Nabisco 5½pc 1988	99	100½
Owens Illinois 4½pc 1987	108½	110
J. C. Penney 4½pc 1987	77½	79
Revlon 4½pc 1987	105	108½
Reynolds Metals 5pc 1988	83	84½
Sandvik 6½pc 1988	109	111
Sperry Rand 4½pc 1987	85½	87
Squibb 4½pc 1987	78½	80
Texaco 4½pc 1988	79	80½
Toshiba 6½pc 1992	130	137
Union Carbide 4½pc 1982	93	94½
Warner Lambert 4½pc 1987	81½	82
Warner Lambert 4½pc 1988	77	78½
Xerox 5pc 1988	78½	80
Source: Kidder, Peabody Securities.		

International future for Tata

BY K. K. SHARMA, recently in Bombay

WITH ITS expansion constricted at home by laws checking the growth of the so-called "large industrial houses." Tata Sons is now looking outside India. Since regulations that equity participation abroad should be limited to the capital equipment employed have been relaxed, Tatas might well become India's first major multinational.

Tata Sons is being encouraged by the Government to invest in other Third World countries. Some Tata concerns already have a flourishing business overseas — Tata exports won the award for the largest exports by a single firm in 1977 —and they are likely to go as far as Guyana where a plant for assembly of trucks made by Tata Engineering and Locomotive Company (TELCO) is being discussed. Textile and other plants have already been set up in the Middle East and South Asia, a kind of expansion which Tatas, like other "large houses," are forced into since foreign investment is one of the few options still open to them.

This is one reason why Tatas, like its other large Indian counterparts, is self conscious of its size. In India, the conglomerate consists of over 30 companies, a large part of the shares of which are held by Tata Sons and its 100 per cent. subsidiary, Tata Industries. Their total sales and revenues amount to more than rupees 13.3bn. (about £800m.) annually and assets to around rupees 7.5bn. The total turnover works out to something like 1.8 per cent. of India's GNP. Even the turnover of the largest company, Tata Iron and Steel (TISCO), is roughly 0.4 per cent. of the GNP, far more than the share of the largest U.S. company in that country's GNP and to which it would, otherwise, be a pygmy in comparison.

Diversity

Yet Tatas are reluctant to call themselves an industrial empire: they betray a kind of split personality in the process. Conscious that in international business, size is respected and respectable, Tata Sons point to the diversity and range of Tata products, services and activities that now encompass steel, heavy-duty trucks, earthmoving and materials handling equipment, agricultural inputs and pesticides, detergents, perfumes and cosmetics, shipping, electronics, engineering and consultancy services—to mention just a few.

But now that size has become a four-letter word in India with the new Government's emphasis on small industry, the image that Tatas project of themselves in the country is that all "Tata promoted" companies operate separately and are run for the people's well-being by their own Boards and managing directors. This is both true and not-quite-true. It is true that 75 per cent. of shares of Tata Sons are owned by trusts which promote original work in many fields. It is also true that the companies are distinct entities with their own Boards, balance sheets, staff and capital structure.

But the composition of their Boards show a surprising recurrence of the same names and the directors admit that "informal" consultations among them are common. Tata Sons, therefore, comes close to being a holding company with an undeclared purpose to oversee the activities of what is in fact a powerful empire whose assets have grown, albeit slowly, even after the Monopolies and Restrictive Practices (MRTP) came into force in 1969.

Partly this is because, despite the obstacles in the way of large companies, only they can carry out vital projects. A case in point is the sanction given by the former militant trade union leader and now Minister for Industry, Mr. George Fernandes, to an application by Tata Electric Companies for a 500 MW thermal plant. This had been pending for years while the power shortage in

Industry Minister George Fernandes: pragmatic approach.

Maharashtra State, where the plant is to be located, reached critical point; and it says much for Mr. Fernandes' pragmatism that he passed the Tata application without hesitation. It is also an indication of the difficulties that the biggest companies in India face, despite Mr. Fernandes' approval. There are just too many "clearances" from too many bodies established far too many purposes that a "large house" of the Tata variety has to obtain.

Another example of Tata's ability to expand is the sanction given to TELCO to increase its capacity from 24,000 commercial vehicles a year to 36,000. The Government even encouraged it to go up to 48,000 but its chairman and managing director, Mr. S. Moogaokar, feels that the company must first overcome teething troubles before embarking on this. Of the Rs.2bn. needed for the expansion, over Rs.1.5bn. came from internally generated funds of TELCO. Finance remains the major problem of all companies of this kind since the biggest companies are barred from tapping public funds.

Further, many Tata concerns are in a price-controlled category that make operations difficult. TISCO, for instance, produces 2m. tonnes of steel annually sold at a price that has meant the company effectively subsidised steel consumers—and the Government itself, is the main consumer —to the extent of Rs.15bn. over the last 20 years. This would have been sufficient to have doubled the capacity of the plant. (The $400m. modernisation announced this week in part reflects a belief that the Janata Government has a more positive approach to private industry. Also domestic demand for steel is picking up. About half of the investment will be in foreign exchange.)

TISCO is, actually, Tata-managed rather than Tata-owned since Tata concerns own a nominal 5.5 per cent. of its shares while public financial institutions have a hefty 44 per cent. chunk. This is a further obstacle in the way of big companies now that financial institutions have the right to convert loans into equity after a period, there is a natural reluctance to resort to finance from them.

High cost

Tata concerns need funds badly because some make losses while others want to expand and diversify. They lack finance even for badly-needed modernisation and hence units making textiles, air-conditioners and some others make losses that Tata Sons pick up because of a reluctance to see a Tata firm go down, although its directors admit the time might come when this difficult decision will be needed. Such funds are not readily available because Tatas remain, as part of their tradition, in the high-cost, low-profit areas. Recent attempts to enter high-profit areas like fertilisers, synethetic textiles and pharmaceuticals have failed because of Government policy. Hence the decision to branch out into sophisticated technology areas like electronics and computers (permitted under MRTP) and to look outside the country.

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Stocks below the best at mid-session

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 6.

AN INITIAL fresh improvement on Wall Street this morning was partially lost by mid-session.

The Dow Jones Industrial Average, up 1.91 more at the 10.30 a.m. calculation, came back to 763.08 at 1 p.m., unchanged on yesterday's closing level. The NYSE All Common Index, however, was still 11 cents up at $50.20 at 1 p.m., after touching $50.23 at 11.00 a.m., while gains retained a lead over losses by a seven-to-five margin. Trading volume increased further to 18.55m. shares from 16.28m. at 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Analysts said the market had been following through on the recent technical advance, but was unsettled by a statement by the U.S. Council on Wage and Price Stability that U.S. inflation seems "hopelessly stuck" at a 6 to 7 per cent. per year rate. This induced some institutions, sceptical about the durability of the technical rally, to start taking profits.

The Wholesale Price Index for March, which showed a 0.6 per cent. rise as opposed to 1.1 per cent. in February, was about as expected, analysts added.

Curtiss-Wright rose 1¾ to $20¼ and Kennecott Copper, halted yesterday and delayed to-day, picked up 1¼ to $28½ yesterday, Curtiss-Wright said if it wins a proxy fight over Kennecott it might seek to repurchase half Kennecott's shares at around $40 each.

Over-the-counter, Debron advanced 1½ to $24½ bid — the company has agreed to merge into Bristol Steel and Iron for $28 a share and has terminated negotiations to merge into Alco Standard, which lost ½ at $48½.

Memorex gained $1 at $33⅝, Medtronic $1½ at $21¾, and General American Oil of Texas 1½ at $32.

THE AMERICAN SE Market Value Index was 0.82 higher at 130.67 at 1 p.m. on volume of 2.24m. shares (1.60m.).

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
MGIC Investment	604,600	16⅞	—
Avon Products	491,200	46½	−⅛
Lockheed	438,700	19¼	+1½
Marine Midland	386,500	15⅞	+1
U.S. Industries	245,200	9½	+⅛
Southn. Calif. Edison	219,300	25½	+⅛
Fannie Mae	183,800	15	+⅛
Sears Roebuck	180,400	22⅞	—
Hercules	170,900	14	−⅛
Asarco	159,200	19⅞	+⅛

OTHER MARKETS

Canada higher

Energy issues led a further gain in active trading yesterday morning on Canadian Stock Markets. The Toronto Composite Index added 1.1 at 1,065.9 at noon, while Oils and Gas rose 10.4 to 1,421.5, Golds 6.8 to 1,277.9, Papers 0.53 to 106.34, and Utilities 0.61 to 164.24.

PARIS—Stock prices further advanced in another active session, which was shortened by a bomb scare. Operators were satisfied with the new French Government and the choice of Rene Monory as Economics Minister.

Creusot-Loire, initially unquoted due to an imbalance of buying orders, moved ahead 7.3 to Frs.70.0, while Denain gained more than 9 per cent.

Cetelem, GT Marseille, BHV and MECI all unquoted because of an imbalance of buying orders.

Among those rising at least 5 per cent. were CIT-Alcatel, Francaise de Raffinage, and Poclain.

BRUSSELS—Mostly higher in increased activity.

Solvay, despite having a strike commencing yesterday, put on 10 to B.Frs.2,495.

Electrobel moved ahead 60 to B.Frs.6,250, Banque Lambert 24 to B.Frs.1,430, and GB-Inno-Bm. 70 more to B.Frs.2,090.

AMSTERDAM—Shares closed mixed after thin trading.

Hoogovens firmed Fl.0.50, but most other Dutch Internationals eased, Royal Dutch losing Fl.0.60.

Elsewhere, Elsevier hardened Fls.2 and Gist Brocades Fls.1.70, but NedLloyd and KNSM lost ground.

State Loans firmed in quiet trading. Bourse sources noted good demand for NMB's 100m. 7¾ per cent. Debentures, issued at 101 per cent., for which subscriptions open to-day. They reported buying interest at 103 per cent.

GERMANY — Market turned mixed in fairly quiet trading on a slackening of follow-through orders combined with some profit-taking after recent gains.

Conti Gummi gained DM2.90, while Babcock added DM3.80 and the Preference DM5. Commerzbank rose DM2.10, but Deutsche Bank shed DM0.70.

Volkswagen gained 30 pfennigs after news that the company's supervisory Board was likely to discuss the possibility of raising the group's capital at yesterday's meeting.

SWITZERLAND—Stocks moved narrowly in continued small trading, but with a firm bias prevailing.

Schindler Bearer were bid higher following the results, but were not traded.

Among Industrials, Brown Boveri shed 20 to Sw.Frs.1,620, but Nestle Bearer rose 25 to Sw.Frs. 3,300.

SPAIN—Selling pressure was much reduced yesterday, with the Madrid Index losing only 0.23 more to 90.58. FEMSA remained an isolated good market, being over-bid and rising another 4 points to 90.

JOHANNESBURG — Golds moved off the top towards the close following news of possible U.S. Treasury gold sales, although most issues were still higher on the day in line with firmer Bullion indications. Trading was quiet.

HONG KONG—Market opened steady following news of the proposed acquisition of Marine Midland Bank, of the U.S., by Hong Kong Bank, but subsequent profit-taking left prices closing on a weak note.

Hong Kong Bank lost 30 cents to $HK15.40, Jardine Matheson 40 cents to $HK13.00, Swire Pacific 15 cents to $HK6.60, Hutchison Whampoa 17.5 cents to $HK4.45, Hong Kong Land 10 cents to $HK7.35, and Wheelock Marden 5 cents to $HK2.275.

TOKYO—Prices were inclined to ease on profit-taking and general liquidations, with the Nikkei-Dow Jones Average reacting 29.65 from the previous day's record post-war high to close at 5,498.25. Volume came to 360m. shares (510m.).

Electricals, Vehicles, large-capital issues and a good number of other stocks fell

Nippon Victor retreated Y40 to Y1,250, Matsushita Electric Y11 to Y699, Honda Motor Y10 to Y570, and Canon Y7 to Y480.

MILAN—Market was slightly higher in slack trading.

Snia Viscosa improved 6 to L527 and Pirelli 25 to L2,130, but Fiat declined 8 to L1,940 and Bastogi 8 to L410.

AUSTRALIA—Shares were firmer for choice following some good institutional support.

BHP ended 2 cents harder at $A6.08, after trading as high as $A6.14; EZ Industries added 10 cents at $A2.10 and ICI Australia recovered 5 cents to $A2.05.

In the Minings sector, Utah rose 20 cents to $A8.50 and North Broken Holdings 4 cents to $A1.09. Pancontinental gained 30 cents at $A10.70 on announcing a new exploration venture with a Japanese concern.

Indices

NEW YORK — DOW JONES

	Apr. 6	Apr. 4	Apr. 3	Mar. 31	Mar. 30	Mar. 29	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	763.08	763.57	751.04	757.36	758.92	761.78	817.74	742.12	1051.70	41.22

N.Y.S.E. ALL COMMON

Apr. 5	Apr. 4	Apr. 3	Mar. 31	1978 High	1978 Low
50.09	49.66	49.44	49.85	51.82 (3/1)	48.37 (6/3)

Rises and Falls

	Apr. 5	Apr. 4	Apr. 3
Issues traded	1,873	1,842	1,887
Rises	1,022	818	375
Falls	430	520	1,084
Unchanged	421	504	428
New Highs	—	29	21
New Lows	—	39	49

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
● DM50 denom. unless otherwise stated ♥ Ptas.500 denom. unless otherwise stated ♣ Kr.100 denom. unless otherwise stated ♦ Frs.500 denom. and Bearer shares unless otherwise stated ¶ Yen 50 denom. unless otherwise stated $ Price at time of suspension a Florins b Schillings c Cents d Dividend after pending rights and/or scrip issue. e Per share f Francs g Gross div. %. h Assumed dividend after scrip and/or rights issue k After local taxes. m % tax free n Francs: including Unilac div. p Nom q Share split s Div. and yield exclude special payment. t Indicated div. u Unofficial trading v Minority

OVERSEAS SHARE INFORMATION

Inv.$ Prem. at $2.60 to £—103¼% (101½%)
Effective rate (at 1.8740) 46¼% (45¼%)

NEW YORK

CANADA

GERMANY

AMSTERDAM

COPENHAGEN

VIENNA

TOKYO

Source: Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

SWITZERLAND

MILAN

AUSTRALIA

PARIS

STOCKHOLM

BRAZIL

OSLO

JOHANNESBURG

Securities Rand $U.S.0.73¼ (Discount of 31.7%)

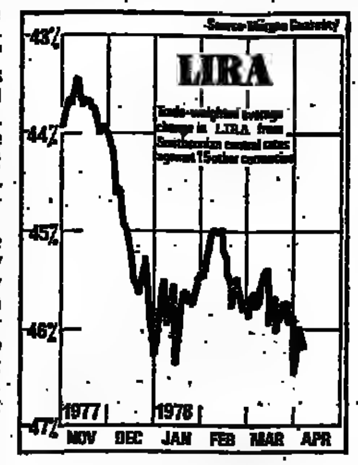
SPAIN

Gold nervous

Gold moved erratically in yesterday's bullion market mainly over uncertainty surrounding the U.S. Government's intention to sell gold as a support measure for the dollar. At the morning fix, the metal showed an improvement of $1.82 as demand from Europe echoed the general satisfaction after Wednesday's IMF gold auction. However, reports suggesting a U.S. intention to sell gold at regular monthly intervals tended to undermine confidence a little, and the metal closed $1¼ an ounce firmer at $179¾-180½, having at one time seen $182½-$183½.

Activity in the foreign exchange market stayed at a reasonably low level with little in the way of new factors to stimulate much business. Sterling opened at $1.8730-1.8745 and eased to $1.8705-1.8715 before spending most of the day around $1.8750. With some selling developing after the opening of New York the pound fell back to $1.8715. However positions reversed towards the close when it improved to $1.8735-1.8745, a slight loss of 5 points over the previous close. Sterling's index using Bank of England figures remained unchanged at 62.2, having stood at 62.1 for the rest of the day.

The U.S. dollar seemed to lack direction as most people took a cautious line over the economic situation. Initially weaker, some support by central banks may have been employed to bolster the rate, but by the close the dollar had eased to Sw.Frs.1.8660 from Sw.Frs.1.8670 having been as low as Sw.Frs.1.8540. Its trade-weighted average depreciation using Morgan Guaranty rates in New York, widened to 6.42 per cent. from 6.27 per cent. and using Bank of England figures, the dollar index eased to 88.3 against 88.5.



CURRENCY RATES

	Special Drawing Rights April 5	European Unit of Account April 6
Sterling	0.663075	0.674017
U.S. dollar	1.23763	1.25844
Canadian	1.41152	1.43758
Austria sch	18.0539	18.3698
Belgian fran	39.1493	39.8075
Danish krone	6.90350	7.02257
Deutschem'rk	2.50620	2.54859
Dutch guilder	2.67947	2.72398
French fran.	5.67453	5.76803
Italian lira	1053.78	1071.47
Japanese yen	271.412	275.77
Norway krone	6.63555	6.74874
Spain peseta	98.8668	100.498
Swedish krone	5.68755	5.76920
Swiss franc	2.32551	2.36302

EXCHANGE CROSS-RATES

April 6	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	[illegible]	44.22-37	6.40-41	3.774 784	[illegible]	107.90-8.10
New York	49.62-75	—	21.97-22.03	3.1725-1800	1.8750-8775	[illegible]	53.75 95
Paris	[illegible]	4.646-559	—	14.450-484	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	31.45-50	6.90-93	—	58.91-59.08	14.60-65	16.91-97
London	3.77½ 78½	1.8735-45	[illegible]	58.96-59.06	—	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	115.825-875
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

EURO-CURRENCY INTEREST RATES

GOLD MARKET

	April 6	April 5
Gold Bullion (a fine ounce)		
Close	$179¾-180½	$178½-179¼
Opening	$181½-182¼	$178½-179¼
Morning fix'g	$182.00 (£97.025)	$178.65 (£95.734)
Aftern'n fix'g	$181.00 (£96.487)	$178.40 (£95.274)
Gold Coin domestically		
Krugerrand	$186¾-188¾ (£99¾-100¾)	$183½-185½ (£98-99)
N'w Sov'gns.	$56-58 (£30-31)	$56¼-57¼ (£29½-30½)
Old Sov'gns	$57¼-59¼ (£29½-30½)	$57¼-59¼ (£30½-31½)
Gold Coins (Internat'lly)		
Krugerrand	$185-187 (£98¾-99¾)	$183½-185½ (£98-99)
New Sov'rgns	$55-57 (£29¼-30¼)	$54½-56½ (£29-30)
Old Sov'rgns	$57¼-59¼ (£29½-30½)	$57½-59¼ (£30½-31½)
$20 Eagles	$290¼-293¼	$290-293

FOREIGN EXCHANGES

April 6	Bank Rate %	Day's spread	Close
New York	6½	1.8705-1.8770	1.8735-1.8745
Montreal	8½	2.1275-2.1380	2.1315-2.1325
Amsterdam	4½	4.02-4.04½	4.03-4.04

‡ Rates given are for convertible francs. Financial franc 58.90-59.10.

OTHER MARKETS

Rate given for Argentina is a free rate.

FORWARD RATES

Six-month forward dollar 0.68-0.58c pm. 12-month 1.30-1.20c pm.

The Property Market

BY JOHN BRENNAN

Slide in prime yields halts

THE expectation of a rise in the Minimum Lending Rate within the next few months has taken much of the heat out of the property investment market, and out of the property share sector.

In the physical market, investment partners of the major agencies and fund managers in most of the active institutions all report increased caution and a marked slowdown in property activities. There is also a temporary hiatus before next week's Budget.

The market is not expecting Mr. Healey to announce any particularily adverse measures for the industry in his speech next Tuesday. And some hopeful souls look for a relaxation of Capital Gains Tax. Either way, there is little pressure to complete deals before the 11th.

In the property share sector Town and City's £120m. refinancing programme has been greeted with interest. But, after a careful look at the dilution effect of the proposals and at the scale of the group's remaining problems, the move sparked little buying interest. English Property Corporation's results last week were also too closely in line with the market's undemanding estimates to have any beneficial impact on prices (although a misprint in the published accounts showing overseas short term debts at £21.462m. instead of £1.261m. may have chipped what little gilt there was from the figures).

Even rumours of management changes, and renewed talk of the possible sale of Eagle Star's key 26.7 per cent. shareholding in EPC (the first possible, the second highly improbable), failed to generate much interest in the stock.

The shadow of MLR hangs too heavily over the sector—despite brokers' valiant efforts to split and identify the limited number of short term interest-sensitive stock from the rest—to shake off its lethagy.

This market sluggishness helps to bear out arguments put by Roger Baden-Powell, the property analyst at stockbrokers Joseph Sebag. Mr. Baden-Powell has been swimming against a tide of recent brokers' advice to buy property shares. But his argument against the sector, and his doubts about the continued strength of the underlying physical property investment market, make interesting reading.

He feels that prime commercial property yields, now forced down to 4¾ per cent., have hit immovable institutional resistance, a view borne out by both agents and fund managers. If, as he believes, the bottom has been reached, there could easily be a reaction back to yields of 5 per cent. or more, and that reaction would be sharp in the event of an increase in general interest rates.

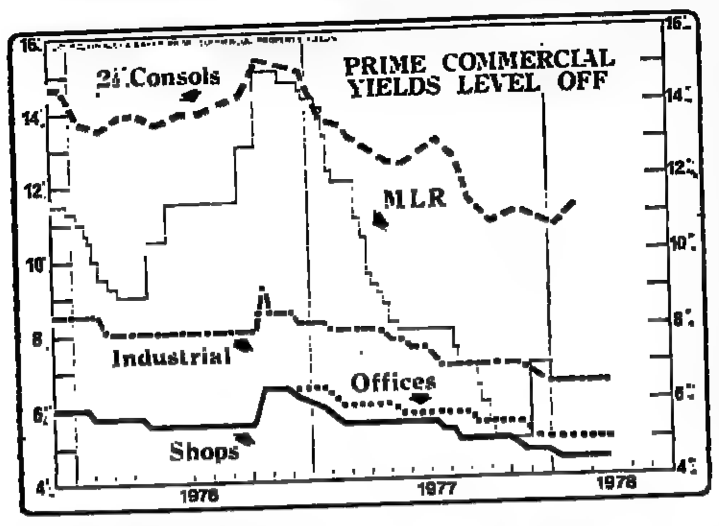
Capital values would consequently fall, and, as Mr. Baden-Powell says, "the emphasis of optimism must therefore shift wholly to rents which must run up much faster to counteract a weakness in the property yield structure."

This need for higher rent expectations would be hard to fulfil in the current economic climate. And even a return to the post-war average of an annual 8 per cent. rise in office rents would be insufficient to justify a current purchase at 4¾ per cent. of a property if prime yields subsequently rose to, say, 5¼ per cent.

The mathematics of that argument are simple. At 4¾ per cent., rents currently need to rise by six per cent. a year to give an equivalent return to gilts. A ½ point rise in yields would need that six per cent. rise, plus another 9½ per cent. rise to offset the fall in capital value, adding up to an unduely demanding 15½ per cent. in all to keep level with gilts.

As Mr. Baden-Powell believes that property shares already discount much of the profits boost expected from the "reversionary concertina" effect of bunched, historical rent reviews in the next few years, and as all the other pointers for the companies are in his view neutral or downwards, he is a bear of the sector.

Weight of money advocates may fell that he is unduely pessimistic, and that the sheer weight of investable funds will provide continued bouyancy for both physical and share markets. But the two markets have now clearly cooled after the winter boom, and even unrepentant bulls should heed the warning signs.

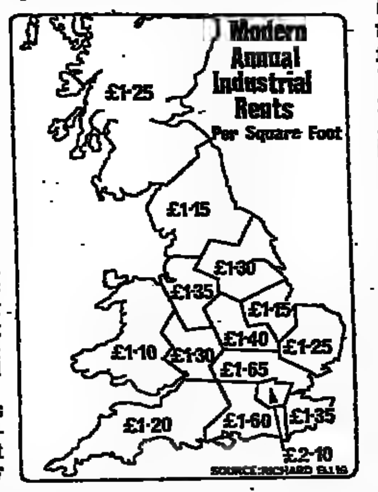


IN BRIEF

TWO years ago Electricity Supply Nominees, the electricity supply industry's £1,000m. pension fund, decided to increase the industrial content of its property portfolio. Industrials still account for only 10 per cent. of its £330m. property assets. But in its move towards factories and warehouses the fund has built an impressive development programme of its own, managed by Richard Ellis.

ESN's development team has now completed ¾m. square feet of industrial space. And this week adds a £3m. Manchester scheme to its books.

ESN plans to build a 150,000 square foot industrial scheme near Manchester's airport for occupation in December 1978 at rents of £1.40 or so—in line with Ellis's rule of thumb industrial rent chart.



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PRUDENTIAL ASSURANCE'S £12m. Wellgate shopping centre in Dundee informally opened this week when Tesco started trading. Tesco, British Home Stores and Mothercare have helped agents John D. Wood and Hillier Parker May and Rowden to pre-let 26 stores, 80 per cent. of the sales space, at locally reported rents of £5 to £6 a square foot.

Less centrally, Standard Life's £3m. Nethergate centre in Dundee is offering 6 months' rent free period to attract stores through local agents Graham and Sibbald, who expect an eventual £3 a square foot.

Letting agents Edward Erdman are not yet talking rents for the £17m. 350,000 square feet Golden Square Shopping Centre in Warrington that Land Securities' subsidiary Ravenseft has sold now to Legal and General.

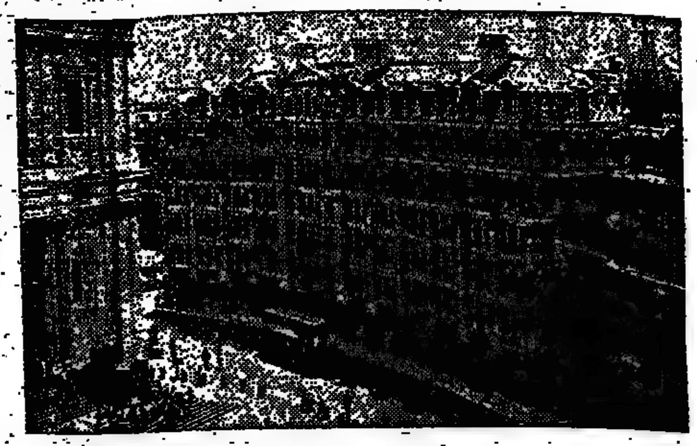
The Church Commissioners risked a very depressed City of London office market three years ago when they decided to go ahead with their £5m. restoration of Condor House by St. Paul's. In the event, they can be credited with faultless timing having brought the 110,800 square foot block onto a market acutely short of larger vacant offices.

Under existing planning consents only 43,000 square feet of the building can be used for offices, the rest is covered by a Class 10 warehouse and showroom consent. But it is hard to imagine either the City Corporation or the Department of the Environment blocking an application for change of use. Neither authority could seriously relish the prospect of an operational warehouse on the very door step of St. Paul's Cathedral.

Cluttons, acting for the Commissioners, have followed the existing planning consents in their renovation work. They have brought the office zoned floors up to air-conditioned standard and have applied a more basic finish to the Class 10 space.

The office areas are on offer at £12.33 a square foot, and the rest is available at £3.50 a square foot. But the agents are clearly hoping for—and are already talking to at least one—a single tenant for the whole building to support an application for an extended Office Development Permit.

Assuming a successful alteration in the planning controls, Condor House and Sun Life Assurance's 110,000 square foot former headquarters in Cheapside — put on the market this week by Richard Ellis at £14 a square foot—would be the only two buildings with more than 100,000 square foot available in the City.



Battle over Neasden

Bernard Sunley Investment Trust's corporate nose is visibly out of joint over British Rail's decision to award its £10m. Neasden store and freight depot contract to Kyle Stewart, English Property Corporation, and Tesco.

As reported last week, Sunley's consortium to develop the 46-acre British Rail site near Wembley Stadium included Tesco, the French group Garanore, and London and Mercantile's subsidiary, Co-Partnership Properties. When British Rail decided to consider separate tenders for the projected 100,000 square foot superstore and the freight complex Tesco won the store contract, and local Wembley developers Kyle Stewart backed by English Property Corporation and Legal and General Assurance, and advised by agents James Lewis, won the freight scheme.

Sunley is now discreetly calling "foul" over British Rail's decision, arguing that its scheme for a £900,000 annual ground rent—£550,000 for the store and £350,000 for the freight yard beats the proposals put by Kyle and Tesco separately. British Rail, although it admits that final documents have not yet been signed with the chosen developers, cannot understand the fuss. It sees no reason for re-opening the tender.

That would seem to be the end of the matter. But Brent Council, which is now in the throes of a local election could overturn everyone's current plans.

The Council issued a notice under the Community Land Act earlier this year notifying its interest in the site and its possible future intention of buying out British Rail's holding.

Brent could step in with counter-proposals for the use of the land, or simply take over the store and freight scheme itself. That could give Sunley consortium another shot at the work, but that looks a very long shot.

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Property Deals appears on Page 36

INDUSTRIAL AND BUSINESS PROPERTY

هكذا من الأصل

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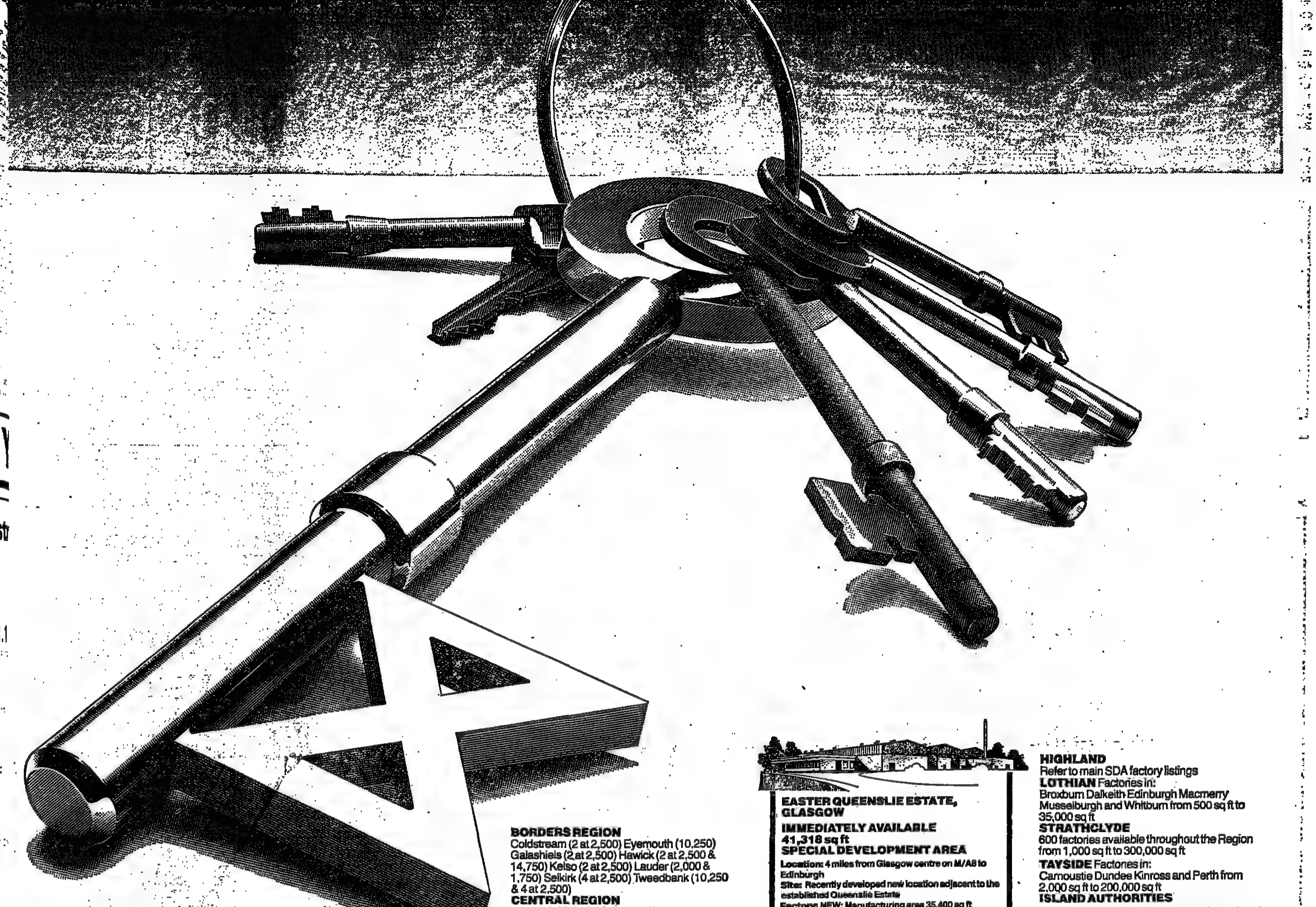

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Working with the Scottish ice, Local Government, New wns and private developers, we ı open the door to virtually every tory or site in Scotland.

The Agency has up to £300 lion of financial muscle behind it d can help compute the answer your investment problem.

ancial aid and incentives are ilable including a long rent free riod or a tailored package of vernment loan and cash grants.

Right now, we have 3 million ıare feet of available factory space strategic sites which are attractive ndustry. All factories are located in eas which are keyed to the ional transport network with se access to Scotland's highly veloped road, rail and air links; ightliner and port facilities.

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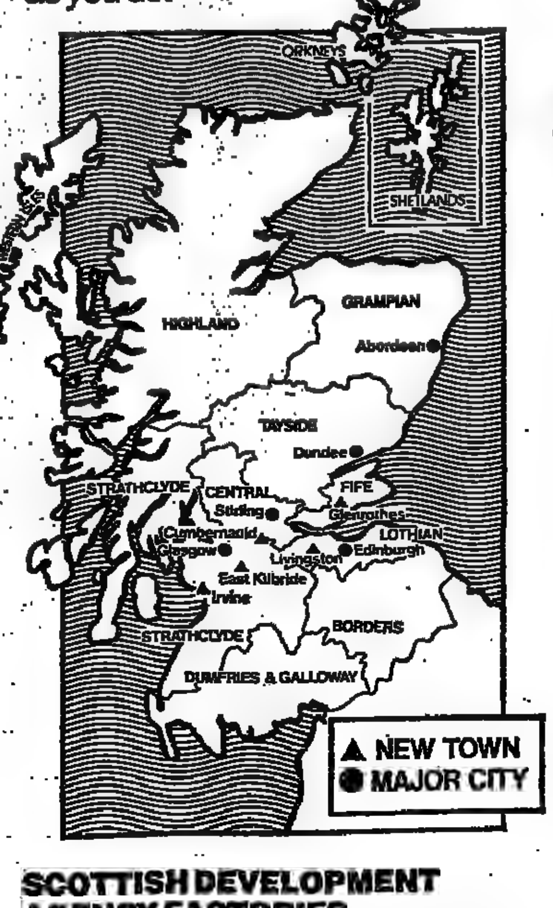


SCOTTISH DEVELOPMENT AGENCY FACTORIES

The Agency administers nearly 25 million square feet of factory accommodation which now houses nearly 500 companies in Scotland employing around 75,000 people.

The following economic modern steel framed single storey factories are available for early occupation or are planned on a wide choice of locations.

All are equipped with offices, central heating and essential services.

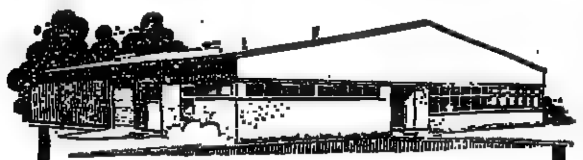
All sizes are approximate in square feet.

BORDERS REGION
Coldstream (2 at 2,500) Eyemouth (10,250) Galashiels (2 at 2,500) Hawick (2 at 2,500 & 14,750) Kelso (2 at 2,500) Lauder (2,000 & 1,750) Selkirk (4 at 2,500) Tweedbank (10,250 & 4 at 2,500)

CENTRAL REGION
Alloa (10,000) Alva (4 at 2,500) Bandeath (10,000) Falkirk (4 at 2,500) Stirling (2 at 2,500)

DUMFRIES & GALLOWAY REGION
Dalbeattie (2,500) Gretna (2 at 3,000) Kirkcudbright (1,500) Newton Stewart (2 at 3,000 and 2 at 2,500) Sanquhar (43,250) Stranraer (10,250)

FIFE REGION
Anstruther (2 at 2,500) Cowdenbeath (4 at 2,500) Cupar (2 at 2,500) Kirkcaldy (10,250) Leven (2 at 2,500)



KIRKCALDY

IMMEDIATELY AVAILABLE
10,233 sq ft
100% EXPANSION ROOM

Location: On the northern shore of the Firth of Forth, 23 miles from Edinburgh
Site: Strategic position to north of Kirkcaldy on main road to Glenrothes New Town
Factory: NEW Manufacturing area 7,869 sq ft
Offices and toilets 1,905 sq ft
Car parking and yard space
Communications: Major ports within short distance–good road and rail links
Labour: Population 50,000. Male and female labour readily available
Rent: 95p per sq ft per annum (subject to verification)

GRAMPIAN REGION
Alford (2 at 2,500) Ballater (1,750) Banff (2 at 2,500) Buckie (10,500) Dufftown (2,500) Ellon (2 at 2,500) Huntly (2 at 2,500)

LOTHIAN REGION
Edinburgh (Peffermill) (10.500)

STRATHCLYDE REGION
Beith (10,250) Blantyre (70,500 & 52,000) Bothwellpark (19,500 & 157,000) Carfin (26,500) Catrine (1,750) Chapelhall (26,000) Clydebank (19,500 & 2 at 10,250 & 52,500) Dalmellington (2 at 2,500) Darvel (5 at 2,500) Girvan (3 at 2,500 & 20,250) Greenock (128,500 & 4 at 2,500) Inchinnan (52,500 & 19,500) Kilsyth (15,750) Kilwinning (49,000) Lanark (2,500) Larkhall (128,000 & 6,750) Lesmahagow (4 at 4,500 & 6,500) Motherwell (4 at 2,500) Muirkirk (1,750) Newhouse (24,000 & 53,000 & 82,000 & 67,250 & 15,750) Paisley (16,500) Port Glasgow (20,750 & 31,500) Prestwick (10,000) Vale of Leven (25,000 & 15,000)

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IMMEDIATELY AVAILABLE
41,318 sq ft
SPECIAL DEVELOPMENT AREA

Location: 4 miles from Glasgow centre on M/A8 to Edinburgh
Site: Recently developed new location adjacent to the established Queenslie Estate
Factory: NEW: Manufacturing area 35,400 sq ft
Offices and toilets 3,875 sq ft
Car parking and yard space.
100% expansion room
Communications: City facilities give excellent road, rail, air and sea links
Labour: Male and female labour readily available
Rent: £1.30 per sq ft per annum (subject to verification)

GLASGOW
Cambuslang (27,000 & 16,500 & 2 at 11,000) Carntyne (5,250) Hillington (67,250 & 33,750 & 65,750 & 10,750 & 13,000 & 15,750 & 6 at 5,000 & 21,500 & 1,500 & 7,750 & 4,500) Kinning Park (2 at 5,500) North Cardonald (116,000 & 5,250) Queenslie (2 at 52,750 & 2 at 25,000 & 41,500 & 52,000 & 27,000 & 10,500 & 25,000) Shieldhall (25,000 & 15,250) Springburn Cowlairs (17,750) Thornliebank (2 at 1,500 & 2,500 & 3,250 & 4 at 8,750 & 7 at 9,500 & 19,000)

TAYSIDE REGION
Alyth (2 at 2,500) Blairgowrie (2 at 2,500) Brechin (4 at 2,500)
DUNDEE
Baldovie (2 at 2,500)

HIGHLANDS & ISLANDS*
Thurso (8,000) Castletown (1,500) Brora (2,500) Inverness (10,000) Dalcross (15,500) Smithton (6,000) Fort William (4,000) Portree (2,500) Daliburgh (2,500) Tarbert (Harris) (1,500) Inveraray (3,250 & 1,750) Salen (1,500) Tarbert (Argyll) (1,500) Islay (1,500) Campbeltown (8,000)

**Factories in the Highlands and Islands are owned and administered by the Highlands & Islands Development Board, Inverness.*

AROUND THE REGIONS

Regional authorities and New Towns throughout Scotland have factories and/or sites immediately available for new and expanding industries. The Agency can act as your central contact point for information on the abundance of development possibilities available.

BORDERS Factories in:
Galashiels Hawick Selkirk and Tweedbank from 2,000 sq ft to 40,000 sq ft

CENTRAL Factories in:
Denny Falkirk Stirling and Tillicoultry from 1,500 sq ft to 31,000 sq ft

DUMFRIES AND GALLOWAY
Refer to main SDA factory listing

FIFE Factories in:
Dunfermline Hillend Inverkeithing Kirkcaldy and Lochgelly from 2,500 sq ft to 10,500 sq ft

GRAMPIAN Factories in:
Aberdeen City Banff and Buchan Gordon Kincardine and Deeside and Moray from 1,700 sq ft to 102,000 sq ft

HIGHLAND
Refer to main SDA factory listings

LOTHIAN Factories in:
Broxburn Dalkeith Edinburgh Macmerry Musselburgh and Whitburn from 500 sq ft to 35,000 sq ft

STRATHCLYDE
600 factories available throughout the Region from 1,000 sq ft to 300,000 sq ft

TAYSIDE Factories in:
Carnoustie Dundee Kinross and Perth from 2,000 sq ft to 200,000 sq ft

ISLAND AUTHORITIES
Factories are available at Carloway (2,000) and Stornoway (12,000) Western Isles. Bespoke units can be built to meet developers requirements in Orkney, Shetland and the Western Isles.

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Advance factories for sale or rent from nursery units of under 1,000 sq ft to larger units of 30,000 sq ft are now available on the estates of the five Scottish New Towns.
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PROPERTY DEALS

A new dimension to 'marriage value'

LATE IN 1974 insurance brokers C. E. Heath arranged to buy the 25,000 square foot Millbourn House, 151-154 Minories EC3, from Prudential's subsidiary Vanbrugh for £4m. Now, the broker has picked up the neighbouring near twin of the 151-154 building which has been renamed (Cuthbert Heath House) for less than £3.6m.

The broker, advised each time by Newton Perkins and Forbes, has bought Prudential's leasehold on the 24,884 square foot Shipping Federation House at 146-150 Minories, as well as the City Corporation's freehold on the two buildings for £3.6m. And that price also covers part of the reconstruction costs involved in merging the two buildings to create one 54,000 square foot headquarters block.

The broker would seem to have added a new dimension to the term "marriage value" by being the first purchaser to benefit from such a deal. Or perhaps 1978 prices are simply more rational than those of 1974.

●

THE Kuwait Oil Company KSC has taken the former headquarters of Ravenseft (Land Securities main subsidiary) at 80 Bond Street, W1, on the corner of New Bond Street and Oxford Street. Ravenseft moved from the 14,500 square foot building in New Fetter Lane just before Christmas. Agents Healey and Baker had been asking just over £13 a square foot for the space. Hillier Parker, May and Rowden acted for the Kuwaitis.

●

IN the seven months since Douglas Chance (of Peachey fame) and David Gammell (formerly of JLW and Debenhams) started the London office of Scottish agents Bell Ingram, their firm's long-standing links with the major Scottish institutions have ensured them the royal treatment from fellow agents reserved for potentially well-heeled purchasers. They help to justify that treatment this week with news of the first of a string of Scottish fund purchases, a £2.5m.-plus acquisition in Moorgate for Standard Life.

Ellerman Estate has sold its freehold offices at 19-21 and at 23 Moorgate to Standard Life for rather less than the £3m. asking price. All but 9,250 square feet of the 21,000 square foot space is occupied, and the Scottish fund will have to carry out considerable modernisation work to bring the buildings up to modern lettable standard. Jones Lang Wootton acted for Ellerman.

●

THE Carlton Theatre in the Haymarket, which has been used as a cinema since the 1930s, is to be redeveloped as a multi-screen cinema and office complex.

Samuel Properties has bought out Twentieth Century Fox's short leasehold interest in the Carlton, and has renegotiated a new 99 year leasehold from the site freeholder, the Crown Estate.

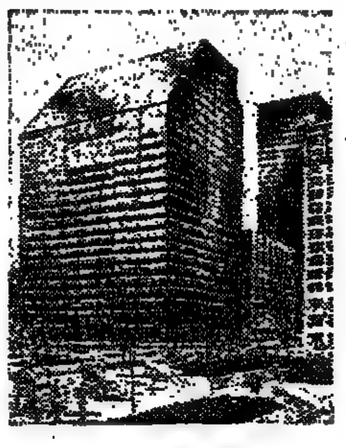
Samuel has Westminster Council's approval for plans to build a 30,000 sq. foot air conditioned office block at the rear of the cinema building facing onto St. Alban's Street, SW1. Samuel will fund the scheme itself.

The cinema has been sub-let by Samuel to Laurie Marsh's Intereuropean Property Holdings, which will repeat its recent efforts in Oxford Street—rather less expensively as the Carlton needs less conversion—by turning it into a three-screen cinema. The latest addition to Intereuropean's Classic cinema chain is expected to be open by the autumn. D. E. and J. Levy acted for Twentieth Century Fox, and have been retained by Samuel to let the offices. Cluttons advised the Crown Estate.

●

SLOUGH Estates' first move in a programme to increase its direct investment in the U.S. property market is a 25 per cent. equity stake in a U.S. $60m. (£32m.) office development in Chicago.

The 800,000 square foot, 27 block, to be built on the junction of Monroe and Dearborn in the heart of Chicago's financial section, is financed primarily by a $48m., 32 year fixed interest mortgage from New York Life Insurance. Slough has taken a



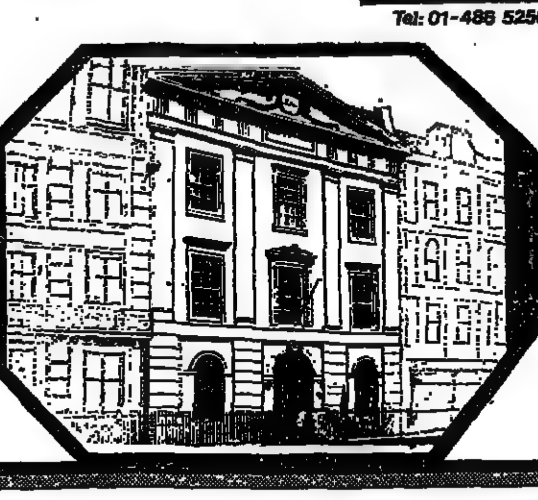
quarter share of the $12m. equity balance along with its U.S. property partners, Draper and Kramer, and a consortium of local companies and individual investors.

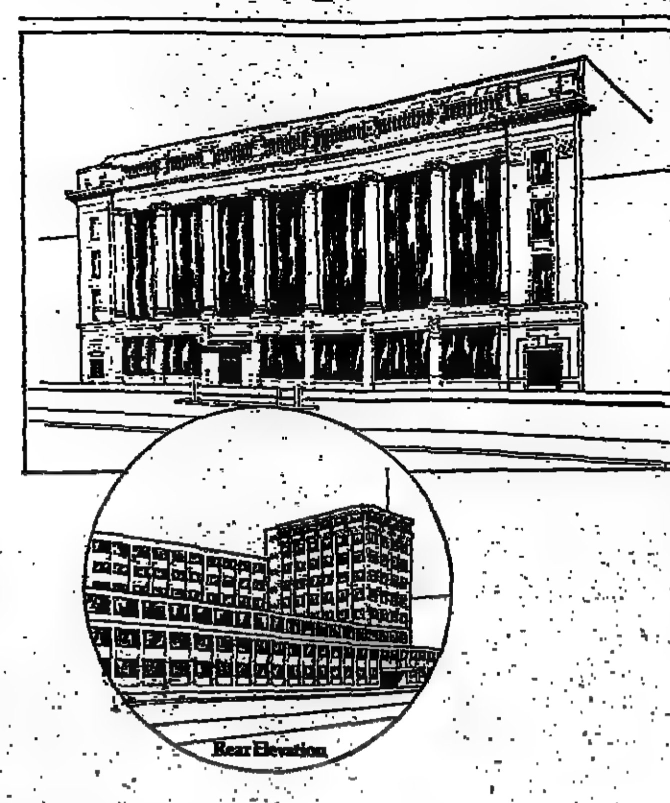
Around 15 per cent. of the office space has already been pre-let at rents in line with current prime Chicago space costs of around $13 a square foot, exclusive.

Slough, which reported 1977 pre-tax profits £913,000 ahead at £6.96m. earlier this week now has approximately 5 per cent of its £300m. portfolio in the U.S. and around 18 per cent. in Canada. Sterling's strength in 1977 restricted total overseas rentals to £4.33m., just under a third of the group's overall rent roll.

It is hard to envisage an 800,000 square foot office scheme in Britain being built in less than four to five years. But the Chicago block, endearingly and temporarily named "M/D" is expected to take just 24 months from site clearance to opening.

J.B.





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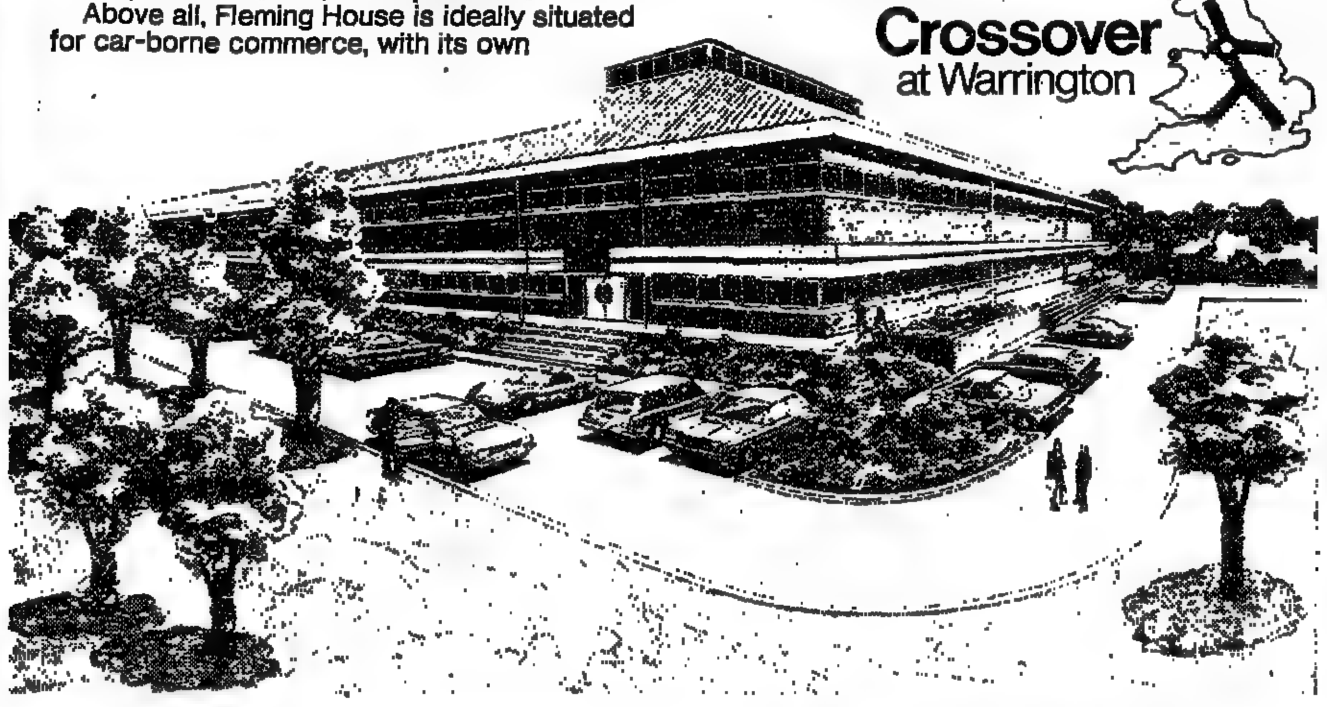

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APPOINTMENTS

Senior changes on Hoover Board

Mr. P. C. Boon is to retire from the chairmanship of HOOVER towards the end of this year, but he will remain on the Board without executive responsibilities after that time.

Mr. David Perkins has joined the Board as finance director, replacing Mr. F. A. Buttner who has retired. Mr. Peter Clayton, finance controller of the overseas division, has been appointed as associate director.

★

Mr. Dennis S. Greensmith, a director of Sears Holdings and group managing director of the Lewis's/Selfridges Group of Department Stores, has been appointed a non-executive director and chairman designate of WILLIAM PICKLES AND CO.

★

Mr. Roger Gilmour, at present managing director of GRIFFITH LABORATORIES, has been appointed international director.

★

Mr. S. M. Gray has been appointed a director of ASSOCIATED NEWSPAPERS GROUP.

★

Mr. Nick Burton-Carter has been appointed financial director of TI WELDLESS (Tube Investments).

★

Sir James Vernon has been elected chairman of CSR. Sir leave of absence from Board meetings until the end of July, for health reasons.

★

Mr. E. G. Murray and Mr. T. M. Palmer have become joint managing directors of the ELECTRONIC MACHINE COMPANY GROUP.

★

Mr. Michael Davie has been appointed to the Board of the overseas division of LOWNDES LAMBERT GROUP. He was formerly general manager in Jeddah, Saudi Arabia, of the National Insurance Company SA.

★

Mr. Kelvin Hewlett has been appointed engineering director of CROSBY VALVE AND ENGINEERING COMPANY.

★

Mr. Fred Boisson (service), Mr. Alan Burke (technical) and Mr. David Halliday (marketing) have been appointed to the Board of BRITISH RELAY WIRELESS AND TELEVISION as associate directors. Mr. John McQueston, of Lloyds and Scottish, is retiring from the Board of British Relay.

★

Mr. Malcolm Lowe, until recently a member of the Board of the International Publishing Corporation, is joining the BENN GROUP in a part-time capacity on July 1 as a director of Benn Publications.

★

Mr. B. D. Newman is to join the partnership of SPENCER THORNTON AND CO., stockbrokers, on April 15.

★

Mr. F. W. Lacey has resigned as director of ALFRED DUNHILL.

★

Mr. P. F. Hargreaves, finance director of HEAD WRIGHTSON, has left the company but remains a consultant. He is now a partner in Goldson and Hargreaves.

★

MARDON PACKAGING INTERNATIONAL has made the following appointments: Mr. Peter Humphrey, personnel director of Ashton Containers; Mr. Peter Sanderson, financial director, Duffin Containers; and Mr. Alasdair Johnston, production director, Cundell Cartons.

★

Mr. N. T. Dukes has become chairman of DUCTILE STEEL STOCKISTS. He succeeds Mr. C. J. Baker, who remains on the Board.

★

Mr. R. F. Monk, deputy chairman of James Finlay and Co., has joined the Board of GEERS GROSS as a non-executive director. The appointment follows the Bank acting as advisor to the company in its recent acquisition of Manoff Advertising.

★

Mr. P. C. H. Vey has resigned as a director of CENTRAL AND SHEERWOOD and its subsidiaries.

★

Mr. Christopher Bland has been appointed a director of NATIONAL PROVIDENT INSTITUTION.

★

Mr. Peter J. Scott has been appointed secretary-chief accountant, BRITISH TIMKEN. He succeeds Mr. Ron E. Farren, who has retired after 18 years' service.

★

Mr. Peter Smith has been appointed Group public affairs manager with POWELL DUFFRYN and will take up his appointment on June 1. Mr. Smith has been public relations adviser with Booker McConnell for the last eight years.

★

Mr. P. J. R. Webb has been appointed a director of the GRANGE TRUST.

★

Mr. F. E. de Smitt, Mr. C. H. Dreyfus and Mr. M. J. Monk retire from the partnership of PIDGEON DE SMITT, stockbrockers, on April 14. Mr. F. E. de Smitt will remain associated with the firm as a consultant. Mr. B. C. Patient and Mr. B. V. Tyler will be taken into partnership from April 17. Mr. S. W. Almond, Mr. C. E. Gunner and Mr. M. Paul, associate members, retire from the firm as of April 14.

★

NORDIC BANK has made Mr. Arild Nerdrum its regional manager in London with responsibility for Norway. He succeeds Mr. Christen Solem, who returns to Norway on July 1.

★

The MINISTRY OF DEFENCE states that Lieutenant-General Sir William Scotter is to be Commander Northern Army Group and Commander-in-Chief British Army of the Rhine, in the rank of General in October 1978, in succession to General Sir Frank King, who is to retire.

★

Dr. (Matthew) Rolf Olsen, director of Social Work Courses in the UNIVERSITY OF BIRMINGHAM, has been appointed Professor of Social Work. This is the University's first chair in social work and is for one tenure only.

★

Mr. Quinton Hazell has been elected a director of the WINTERBOTTOM TRUST.

★

Mr. K. A. Crowley has been appointed a director of BRITANNIA TRUST MANAGEMENT.

★

Mr. K. T. Maunders has been appointed to the newly-created Chair of Business Finance and Accounting at the UNIVERSITY OF LEEDS from October 1. He is at present senior lecturer in finance and accounting at Lancaster University.

★

Mr. Angus Shearer has been appointed managing director of HANDY ASSOCIATES INTERNATIONAL INC. He was previously with London Broadcasting.

★

Mr. J. F. Platt has been appointed to the Board of the SOLICITORS' LAW STATIONERY SOCIETY. He has been managing director of Oyez Publishing since March 1976.

★

Mr. Graham Blease is to join McANALLY, MONTGOMERY AND COMPANY, stockbrokers, on April 10 to develop specialised services for institutional and corporate clients.

★

Mr. Robin Davies has been appointed a director of PD OIL AND CHEMICAL STORAGE, part of the Powell Duffryn Group. Mr. Davies is the vice-president and general manager of PDOCS's installation in the U.S., El Dorado Terminals Corporation, and a member of the Board.

★

Air Commodore Brian G. Frow has been appointed director general at the Falkland Islands Office in Westminster by the FALKLAND ISLANDS RESEARCH AND DEVELOPMENT ASSOCIATION.

★

Mr. Robert Brook has been appointed deputy chairman of the NATIONAL BUS COMPANY group and continues as chief executive of NBC.

★

Mr. Raymond R. Miles, development director with Ocean Liners has been appointed executive vice-president of BARBER BLUE SEA and will be based at the company's head office in Oslo. Mr. Peter Collins, at present Ocean Liners' development manager, will also be joining Barber Blue Sea as vice-president logistics in New York.

★

Mr. Mike Prewer has been appointed director/general manager of TI TRANSERVICE, a member of the TI Transport Equipment.

★

Mr. W. F. Stoot has been appointed senior principal surveyor for Scandinavia and Finland, responsible for co-ordinating LLOYD'S REGISTER OF SHIPPING'S overall operations in this region. He will continue to represent Lloyd's Register as the senior principal surveyor for Denmark residing in Copenhagen.

★

Two newly-created senior appointments have been made by the POST OFFICE to strengthen the purchasing and supply functions of the Corporation. Mr. Leslie Thomas, temporary director of provisioning, takes up the position of director of supply, and Mr. Howard Cadwallader, controller of contracts, becomes director of purchasing.

The appointments result from Post Office reorganisation of its purchasing and supply department into a new procurement executive under the control of Mr. Sydney Swallow, chief procurement officer.

★

BROWN BROTHERS CORPORATION states that Mr. J. Stanley Gillen has resigned as a director having taken up permanent residence in the U.S.

★

Mr. Francis Goudard, president of the Solex Group, has joined the Board of the ZENITH CARBURETTER COMPANY.

FARMING AND RAW MATERIALS

Tungsten pact group formed

GENEVA, April 6.

THE EXECUTIVE Board of the U.N. Conference on Trade and Development (Unctad) has decided to set up a new preparatory working group to continue discussions on how to curb tungsten price fluctuations.

The Board took this action after considering conflicting views on whether to begin negotiations on a stabilisation agreement, or to set up an independent consultative body of producers and consumers.

Most producers—including Australia, China, Bolivia, Mexico and Thailand—favoured negotiating an agreement. But the majority of consumer countries, headed by the U.S., advocated the producer-consumer working group.

The working group will hold its first meeting in June.

If producer and consumer Governments represented agree that an adequate basis exists for action, Unctad will then be asked either to convene a negotiating conference for an agreement or take steps to establish a producer-consumer forum.

John Glenn, Australian delegate, registered a formal reservation on behalf of most producing countries to the possible setting up of a producer-consumer forum.

Gordon Streeb, U.S. delegate, said, however, that the idea of a producer-consumer forum had great merit. He claimed that the producers' proposal for an international accord was neither feasible nor desirable.

● U.S. stockpile authorities announced in Washington the sale of 42,251 lbs of tungsten (W content) at $131.542 per short ton unit WO3, ex-duty.

The ores and concentrates, contained in approximately 2,664 short ton units—valued at $350,427—were for export only. Reuter

Barley leads strong rise in U.K. grain markets

BY JOHN EDWARDS, COMMODITIES EDITOR

BARLEY AND WHEAT prices rose strongly again on the London grain futures markets yesterday. Barley gained £1.25 to £80.70 a tonne, nearly £10 higher than a month ago. Wheat advanced by £0.90 to £92.90 a tonne, also nearly £10 up compared with a month ago.

According to London grain trade sources, the upsurge is being led by barley, which earlier sank to very depressed levels on expectations of a large surplus as a result of the big, though poor quality, U.K. harvest last year.

However, market sentiment has undergone a considerable change in the past few weeks.

There is reported to have been considerable buying interest from feed compounders and merchants, coming on to a market where suppliers are apparently not prepared to sell with little barley coming off the farms.

Dealers are not quite certain whether farmers are simply holding off the market in anticipation of higher prices, or whether the supply situation has been miscalculated.

One known fact is that the barley export trade is much stronger than was originally anticipated. It is now thought that U.K. exports this season could reach as much as 2m. tonnes, against only 126,000 tonnes last season, and the latest estimate of 1,350,000 tonnes by the Home-Grown Cereals Authority.

Dealers point out that U.K. barley is still very competitively priced in international terms, especially in view of the generally firmer world market recently.

But the producers' reluctance to sell has also raised doubts as to whether the crop has been over-estimated at its present figure of 10.7m. tonnes—3m. tonnes up on the previous year and well above the previous record outturn in 1974-75.

It is pointed out that the bushel weight could easily have been miscalculated. Losses from moisture and wastage between harvesting and taking the grain out of store now could well amount to 0.5m. tonnes, it is thought.

At the same time, dealers feel that farmers could have decided to use much more barley for their own consumption, feeding their own livestock instead of facing the perils of trying to sell into intervention.

Latest Ministry of Agriculture estimates issued this week suggest that total stocks on farm were at a high level at the end of January. But these figures are notoriously unreliable.

The future trend of the market is thought to depend very much on whether producer selling is brought out by the higher price levels.

Despite the recent surge in values, barley prices are still only about £2 above the intervention support level and well below prices at the same time last year when stocks were low following the drought-hit 1976 crop.

The Home-Grown Cereals Authority is forecasting a doubling in the end-season carry-over stocks to 1.2m. tonnes, and even with increased exports there should, in theory, be adequate supplies available.

It is also true that the present rise has been fuelled by some extensive speculative buying, mainly by the trade, who were forced to close out previous "short" sales when discovering a sudden lack of farmer selling interest.

U.S. tin stockpile plea

JAKARTA, April 6.

WORLD TIN-PRODUCING countries have agreed to make a collective appeal to the U.S. over congressional proposals to release 45,000 tonnes of tin from the U.S. stockpile.

At the end of their two-day meeting here, delegates from the main producing countries claimed that confusion over the implications of proposed U.S. legislation on the release of tin had a regrettable, damaging impact on the market.

Information on the proposals had been misconstrued and led to unwarranted speculation, a statement from the group said.

It said tin producers agreed that they could rightly expect the U.S., as a member of the International Tin Agreement, "to enter into comprehensive and timely consultations with the Tin Council in formulating long-term disposal programmes."

Producers also stressed the need for upward revision of the Tin Agreement buffer stock "floor" and "ceiling" prices as presented by them at the last International Tin Council (ITC) meeting in January.

They will continue to press for the adoption of their new price proposals at the tin council meeting in London next week. Reuter

U.K. MEAT MARKETING

Farmers better off by selling cattle live

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

A REPORT recently released seems to show that in certain areas of the country, farmers who over a period sold their cattle through the livestock markets, received more for them than those sold deadweight and by grade.

This finding has come as some embarrassment to the Meat and Livestock Commission which provided the material.

The embarrassment stems from the fact that the MLC is doing its best to further the sale of stock on grade and deadweight, as being preferable to what is popularly supposed to be the anarchy of the livestock markets.

In theory, of course, everyone is in favour of grade and deadweight selling, allowing the purchaser the opportunity of buying meat under a grade classification, in much the same way as is used for New Zealand lamb or Danish bacon.

Farmers, however, are not so keen. While about 90 per cent. of pigs are sold on deadweight, no more than about 30 per cent. of cattle and sheep are so traded. Even fewer of them are sold at prices reflecting the grade.

Bacon pigs are a special case. Nearly all bacon pigs are graded, and the contract which governs most of this trade specifies the different prices. The grading, based on back fat measurement, is an accurate one, because the pig is split before grading. Pork pigs on the other hand are graded unsplit with a probe, and this depends on the skill of the operator.

I must declare an interest here. For several years my pork pigs were graded, and I was paid on the results. The grading was, as they say, infinitely variable.

Last year I refused to renew the contract, and agreed a price with my buyer based on what others were offering in the district from week to week for ungraded pigs. For the next year I have formalised this by basing it on the average all-pigs price which is published weekly.

This is an important point. I have never believed that any system can beat the market, particularly a terminal one as this is. There is no underlying guarantee for pigmeat, and the intervention support level is set too low to be of any use. So by establishing a premium over an average market price, as I have, I am as safe as I ever could be.

The reason why the majority of pigs go directly to the slaughterhouse is practical. Because the pig is a short-lived animal it is only fit for sale for a very short period at the right weight.

If it meets a bad trade at a local market it cannot be easily taken home again because of various disease restrictions. Although my pigs are still graded, the results as far as I am concerned are for information only. I suspect most pork pigs are sold the same way.

In the case of sheep and cattle, the deadweight grading standards are even less of an exact assessment than with pork pigs. They depend on excess fat to some extent, which is almost impossible to determine in the live animal.

In any case the standards on which live animals have been judged for many generations are based on the amount of fat cover which can be felt manually.

Cattle and sheep can maintain their condition over many weeks, and so the period of marketing is not so crucial as with pigs. They can also be brought home again if the trade is not good enough; once sold by deadweight there is no redress.

Farmers are also suspicious that the downgraded animals are eventually sold at the same price as the upgraded ones. They have also learned by bitter experience that in a period of strong demand grading makes very little difference to prices: everything sells well. Conversely, when trade is bad everything sells badly.

The point is often made that the advent of the supermarkets has made the grading and presentation of the stock in large numbers essential. Therefore farmers should co-operate to bring this about.

But this has always been going on. There are a substantial number of wholesalers who buy directly from farms or through markets. There are, in fact, at least four within 20 miles of my farm all competing for supplies ranging from the FMC to family businesses.

They either sell on Meat and Livestock Commission grading, or their own standards. The insertion of yet another organisation into the pipeline can only add to costs without appreciably increasing farmers' returns.

I believe very strongly that any move to rationalise meat marketing on the lines of New Zealand lamb or Danish bacon should not be contemplated unless fixed prices can be guaranteed, which they obviously cannot be. Such a move would make life all too easy for the chain store buyers who are as ruthless as they come for pushing down prices regardless.

The present mix of markets and wholesalers in competition does not serve the farming or food industry badly.

Coffee exports meeting next week

SAN SALVADOR, April 6.

CENTRAL AMERICAN mild coffee producers, who suspended sales last month because of low world market prices, provisionally agreed to a new meeting in San Jose, Costa Rica, at the beginning of next week, Compania Salvadorena del Cafe officials said.

They said the meeting was tentatively arranged for Monday or Tuesday, but added that it would not be deciding on an immediate return to the market.

It would, however, discuss ways of resuming sales in an orderly way to ensure just prices, they noted. Reuter

Natural rubber losing ground

BY OUR COMMODITIES STAFF

NATURAL RUBBER'S share of the world market is expected to continue to decline in the near future, Mr. Clayton Ruebensaal, corporate planning director of Uniroyal, told an International Institute of Synthetic Rubber Producers meeting in Hong Kong yesterday.

Further gains by synthetic rubber could trim the natural commodity's market share to 27.9 per cent. by 1985 from the current level of 31 per cent., he stated.

At the same time he expected the world synthetic rubber market to grow by 5.7 per cent. a year through to the mid-1980s.

Mr. Ruebensaal said one of the greatest threats to the natural rubber market was the intention of the centrally-planned economies (communist countries) totally to replace natural rubber with synthetic polyisoprene. These countries are rapidly expanding their polyisoprene capacity in an attempt to ease the foreign exchange burden imposed by natural rubber imports, he said.

The USSR already has sufficient capacity to take its natural rubber ratio below 10 per cent. and Romania plans to follow this lead. And China is expected to have taken its synthetic rubber production up to 20 per cent. of total needs by 1980 from 15 per cent. at the moment, Mr. Ruebensaal added.

In the past year another series of events has occurred which, on the surface, indicates that natural rubber's share of world markets could rapidly increase, he said. These included continued escalation in the U.S. average price of oil, gas fuels and petrochemical feeds and the Unctad meeting between the Association of Natural Rubber Producing Countries and the consuming nations, in February, which brought near agreement on a buffer stock.

Also, a number of large rubber producers had announced plans recently for substantial acreage increases to meet requirements of the 1990s. He noted that total world consumption of natural rubber had been forecast by the Institute to rise to 5.05m. tonnes in 1985 from 3.56m. in 1976.

This could lead to a 4 per cent.-a-year increase in natural rubber consumption through to the mid-1980s compared with synthetic's 5.7 per cent.

Mr. Ruebensaal said natural would also lose ground to thermoplastic rubbers, which were forecast to increase in the U.S. to 100,000 tonnes by 1982 from 40,000 last year.

World use of thermoplastic rubbers was estimated at about 130,000 tonnes for 1977, so if the world total grew at the rate forecast for the U.S., consumption of 225,000 tonnes would be reached by 1980, he said.

Mr. Dieter Scabell, general manager of Bayer's rubber division, told the meeting that in 1985 a total 1.2m. tonnes of natural rubber would be consumed in Western Europe, compared with 960,000 tonnes this year and 895,000 in 1970.

He said Europe's share of total world natural rubber consumption in 1985 would be 24 per cent. compared with 25 per cent. this year and about 30 per cent. in 1970. Reuter

ETHIOPIA GRANTED GRAIN CREDIT

NAIROBI, April 6.

The World Bank has approved a credit to Ethiopia of $24m. to be used in developing grain marketing and storage facilities, Addis Ababa radio reported. Reuter

Uncertainty in cocoa market

By Richard Mooney

DEALERS ON the London cocoa futures market traded nervously yesterday as they awaited the January-March U.S. grindings figure, due to be published to-day. The July quotation slipped to £1,880 a tonne in early trading before advancing to £1,970 a tonne in the afternoon. But profit-taking set in at the peak and by the close July cocoa was £1,938.25 a tonne, up £20.75 on the day.

Market sources said a 20 per cent. decline in U.S. cocoa bean grindings, compared with the first quarter of 1977, was discounted at current levels but that any figure significantly higher or lower than this could produce a dramatic price reaction.

Our Lagos correspondent writes: More than 18m. high-yielding cocoa seedlings will be distributed to farmers in Nigeria's Oyo state this year under a massive cocoa regeneration scheme. Commissioner of Finance Dr. J. A. Atanda announced in Ibadan.

U.S. option trading ban confirmed

BY DAVID LASCELLES

NEW YORK, April 6.

THE SALE of commodity options in the U.S. is to be suspended from June 1 by order of the Commodity Futures Trading Commission, it was confirmed here.

However, the ban, which had been expected because of fraud and questionable selling techniques in the commodity options business, should pave the way for more orderly options trading under new regulations due to be introduced next autumn.

The suspension covers all commodity options deals in the U.S., except those made between parties who have a direct and recognised trade business interest in a particular commodity.

It is aimed at stamping out speculative options dealing, which has blossomed in recent years and led to the investigation of 30 option companies by the Commission.

Since options trading is not permitted on U.S. exchanges, most of the options available here are written in London and sold privately, so that the Commission has lacked information of the volume of options traded by Americans. The Commission has been at pains, however, to avoid criticising the London markets, which, it says, have co-operated as far as possible.

The Commission is in the process of finalising a new set of regulations which would allow the sale of commodity options through U.S. exchanges.

It had hoped to have this "pilot programme" ready by the suspension deadline, but the period of drafting had to be extended.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on the London Metal Exchange after a morning's gains were eroded. Forward metal started at £712 and rose to £720 on short covering and buying attributed to Japanese interests, allied to forecasts of a decrease in warehouse stocks. But Comex did not open as high as expected and some profit-taking emerged. The price slipped to £714 and closed on the Kerb at £715.5. Turnover, 17,775 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	702-.5	—4	700-.5	—.25
3 months	717-.5	—3.5	715.5-6	+.5
Settl'm'nt	702.5	—4	—	......
Cathodes				
Cash	693-.5	—3.5	690-1	—1
3 months	708-.5	—3	705.5-6	—.5
Settl'm'nt	693.5	—3.5	—	......
U.S. Smt.	—	......	64-	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £702.5, 2, three months £717, 17.5, 18, 17, 17.5, 18, 17.5, 17. Cathodes, cash £693, three months £707.5, 8. Kerb: Wirebars, three months £715, 15.5, 16, 20, 16.5, 16. Afternoon: Wirebars, three months £715, 15.5, 15, 14.5, 15, 15.5, 16, 15.5. Cathodes, three months £706. Kerb: Wirebars, three months £715.5, 16, 14.5, 15, 15.5.

TIN—Higher with the market given an initial impetus by a rise in the East overnight. Against the background of the producers' meeting in Indonesia and forecasts of a decline in warehouse stocks, short covering and stoploss buying took forward metal up from £5,740 to £5,835 before profit-taking clipped the gains and led to a close on the Kerb of £5,820. Turnover, 665 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5780-5	+67.5	5765-75	+55
3 months	5810-20	+50	5805-10	+42.5
Settlem't	5785	+55	—	......
Standard				
Cash	5775-80	+52.5	5765-75	+55
3 months	5810-20	+52.5	5805-10	+55
Settlem't	5780	+50	—	......
Straits E.	$1487	+11	—	......
New York	—	......	*482.00	—1

Morning: Standard, cash £5,780, three months £5,780, 90, £5,805, £5,800, 20. High Grade, three months £5,800, 05. Kerb: Standard, three months £5,810, 20, 30, 35. Afternoon: Standard, cash £5,775, three months £5,800, 10, 05, £5,800, 10. Kerb: Standard, three months £5,800, 20.

LEAD—Moved narrowly in a market lacking fresh features. In moderate two-way trading forward metal moved between £315 and £317 pre-market and between £315.5 and £318 for the rest of the day. The close on the Kerb was £317.25. Turnover, 4,375 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	311.5-2	—.375	311-2	+1.75
3 months	316.5-.75	—.5	316.5-7	+2
Sett'l'm'nt	312	—.25	—	......
U.S. Spot	—	......	35	......

Morning: Cash £312, three months £317, 16.5, 17, 16.75. Kerb: Three months £316.75, 17, 18, 17.5, 17. Afternoon: Three months £317, 16.5, 16, 16.5, 16.75, 16, 16.5. Kerb: Three months £317, 18.

ZINC—Steady but there was no follow-through on the recent rise in prices. Some profit-taking came on to the market but trading was routine with forward metal starting at £315-£317 and then moving between £312 and £316, before closing on the Kerb at £314. Turnover, 4,000 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Cash	308.5-9.5	—6.5	306-7	—7
3 months	314-.5	—5.37	311.5-2	—6.5
S'ment	309.5	—6.5	—	......
Prm. West	—	......	29	......

Morning: Three months £316, 15.5, 15, 14, 15, 14.5. Kerb: Three months £315, 15.5, 16. Afternoon: Three months £314, 11, 10, 10.5, 10, 12, 11.5. Kerb: Three months £312.

SILVER

Silver was fixed 2.1p an ounce higher for spot delivery in the London bullion market yesterday at 284.65p. U.S. cent equivalents of the fixing levels were: Spot 533.4c, up 6.2c; three-month 541.7c, up 6.0c; six-month 553.0c, up 5.7c; and 12-month 576.3c, up 5.2c. The metal opened at 281.1-282.1p (526½-528c) and eased slightly to 280½-281½p (526-527½c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	284.65p	+2.1	280.5p	—0.25
3 months	289.45p	+1.9	285.5p	—0.2
6 months	295.7p	+1.55	—	......
12 months	309.5p	+1.55	—	......

LME—Turnover 158 (174) lots of 10,000 ounces. Morning: Three months 289.5, 9.6, 9.5, 9.4, 9.2, 89, 88.5, 8.6, 8.5, 8.0, 89. Kerbs: Three months 289.2, 88.7, 8.5, 8.3, 8.1. Afternoon: Three months 286, 5.8, 5.7, 5.6, 5.7, 6, 5.5. Kerbs: Three months 285.3, 5.1, 5.2, 5.3, 5.5, 5.8.

COCOA

Continued consumer demand kept values steady throughout the day, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Con'tr't			
May	1976.0-80.0	+5.0	2025.0-1934
July	1937.5-39.0	+20.75	1970.0-1860
Sept.	1889.0-90.0	+16.5	1920.0-1840
Dec.	1831.0-35.0	+19.5	1860.0-1780
March	1770.0-85.0	+20.0	1795.0-1750
May	1725.0-70.0	+54.0	1760.0-1695
July	1695.0-90.0	+45.75	1700.0-1660

Sales: 4,289 (3,320) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price April 5: 158.67 (155.29). Indicator prices April 6: 15-day average 158.55 (158.47); 22-day average 155.98 (155.07).

COFFEE

On an exceptionally quiet day Robustas opened higher, provoked by late short-covering in New York on Wednesday, Drexel Burnham Lambert reported. The market traded in a tight range in featureless conditions for the rest of the day and at the close values were up to £18 higher on the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1422-1424	+18.0	1438-1420
July	1322-1324	+15.0	1338-1321
September	1272-1275	+04.0	1295-1271
November	1240-1245	—05.0	1258-1256
January	1215-1220	....	1240-1237
March	1180-1210	—05.0	—
May	1170-1200	—27.5	—

Sales: 6,155 (3,047) lots of 5 tonnes.

ICO indicator prices for April 5 (U.S. cents per pound): Colombian Mild Arabicas 190.50 (192.00); unwashed Arabicas 170.00 (173.00); other mild Arabicas 174.84 (same); Robustas 148.00 (149.00). Daily average 161.32 (161.82).

ARABICAS—Firm in spite of early dealer liquidation, Drexel Burnham Lambert reports. At a quiet close values were 1.25 to 4.37 higher on the day.

Prices (in order buyer, seller, change, business)—April 202.50-04.50, +1.25, 206.00-04.50; June 178.75-79.50, +3.50, 179.00-78.00; Aug. 164.00-65.00, +4.37, 165.00-64.00; Oct. 150.00-52.00, +3.50; Dec. 140.00-41.50, +2.12; Feb. 132.50-37.50, +3.50; April 128.50-35.00, +3.25. Sales: 26 (33) lots of 17,250 kilos.

GRAINS

LONDON FUTURES (GAFTA)—Very good export demand for barley fueled another strong rise, with the May option after initial gains of 30 points closing 123 points up on the day with good commercial buying noted throughout the day, Acli reported. Old crop wheat was quieter but good country demand enabled values to close firm at 80 points higher. New crop saw large-scale profit-taking, particularly in wheat from Commercial sources but still closed steady between 30 and 45 higher.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
May	92.90	+0.80	80.70	+1.25
Sept.	84.95	+0.30	79.60	+0.40
Nov.	87.55	+0.20	82.10	+0.40
Jan.	90.10	+0.40	84.70	+0.30
Mar.	92.60	+0.20	87.15	+0.45

Sales: 101 (158) lots of 100 tonnes.

Business done: Wheat—May 91.35-92.90, Sept. 84.70-85.00, Nov. 87.40-87.65, Jan. 89.90-90.10, March 92.60. Sales: 156 lots. Barley—May 79.90-80.75, Sept. 79.40-79.65, Nov. 82.00-82.20, Jan. 84.50-84.20, March . Sales: 100 lots.

Wheat: CWRS No. 1 13½ per cent. April-May £94.75 Tilbury. U.S. Dark Northern Spring No. 2 14 per cent. April-1st half May £85.00, May-June £85.50. U.S. Hard Winter ord. unquoted. Australian wheat unquoted. EEC, Soviet and Argentine wheat unquoted.

Maize: U.S./French April £104.75, May £105.00 transhipment East coast. South African Yellow May £76.50 quoted. South African White and Kenya grade three unquoted.

Barley: Unquoted.

HGCA—Location ex-farm spot prices. Other milling wheat not quoted. Feed wheat—South Lincoln £86.30. Feed barley—South Lincoln £76.20, Wiltshire £76.80.

The U.K. monetary coefficient for the week beginning April 10 will increase to 1.399.

RUBBER

STEADIER opening on the London physical market. Fair demand at higher levels, closing quiet. Lewis and Peat report that the Malaysia godown price was 202 (202) cents a kilo (buyer, April).

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
May	48.10-47.50	46.95-48.50	—
June	47.20-48.80	46.50-47.50	—
Jly-Sep.	49.10-49.25	48.75-48.80	49.00
Oct-Dec	50.80-50.85	50.50-50.35	50.95-50.55
Jan-Mr.	52.40-52.45	51.95-52.00	52.50-51.95
Apr-Jne	53.95-54.00	53.55-53.60	54.00-53.95
Jly-Sep.	55.60-55.60	55.05-55.15	55.55-55.60
Oct-Dec	56.85-57.00	56.40-56.50	56.95-56.75
Jan-Mar	58.25-58.40	57.85-57.90	58.25

Sales: 183 (368) lots of 15 tonnes.

Physical closing prices (buyer) were: Spot 48.25p (same); May 49p (48.75); June 49.25p (49.0).

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
April	124.50-25.0	....	125.00
June	125.50-25.5	—0.30	124.70-22.50
August	122.80-23.0	—0.80	124.70-22.41
October	118.00-18.8	—1.25	119.10-18.00
December	115.00-18.0	—0.25	115.50
February	116.00-17.5	—0.25	—
April	115.50-18.5	—0.50	—

Sales: 153 (85) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE for raw sugar £99.00 (£98.50) a tonne cif for April-May shipment. White sugar daily price was fixed at £108.00 (£106.50).

First quotations were slightly above Kerb levels, but later prices drifted about 100 points in light trading conditions. However, the lows were short-lived and all the losses were recovered by the end of the morning session. During the afternoon further small gains were recorded despite heavier offerings from the trade. Sales: 1,467 (2,339) lots of 50 tonnes.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	103.50-03.60	101.25-01.80	104.00-01.25
Aug.	108.55-08.45	106.80-06.85	108.75-06.25
Oct.	111.5-11.65	110.25-10.75	112.00-10.00
Dec.	114.60-14.65	113.25-14.00	114.90-13.50
March	121.70-21.20	119.75-20.00	121.20-19.25
May	125.85-24.25	123.00-23.50	124.25-23.50
Aug.	127.50-28.00	125.75-26.50	127.00

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a ton for home trade and £159.00 (£156.50) for export.

International Sugar Agreement: Indicator prices (U.S. cents per pound fob and stowed Caribbean port) for April 5: Daily 7.48 (7.59); 15-day average 7.54 (7.55).

EEC IMPORT LEVIES—Effective to-day for denatured and non-denatured sugar in units of account per 100 kilos, previous in brackets. White: 27.70 (27.40). Raw: 22.19 (22.19).

WOOL FUTURES

SYDNEY GREASY (in order buyer, seller, business, sales). Micron Contract—May 340.6-340.9, 340.5-340.5, 14; July 345.9-346.0, 346.0-346.0, 13; Oct. 350.0-350.3, 350.3-350.0, 4; Dec. 357.6-358.0, 358.0-357.5, 5; March 363.5-363.8, 363.6-363.4, 8; May 367.8-369.0, 368.0-368.0, 1; July 370.5-370.9, nil; Oct. 372.3-373.0, 372.8-372.5, 1. Total sales: 46.

Australian Greasy Wool	Yesterd'y's Close	+ or —	Business Done
May	222.0-25.8	......	—
July	227.-32.0	......	—
October	232.0-35.0	......	—
December	234.0-37.0	......	—
March	238.0-39.0	......	—
May	238.0-42.0	......	—
July	238.0-43.0	......	—
October	239.0-47.0	......	—

LONDON—The market was dull and featureless, reports Bache Halsey Stuart. Sales: 0 (0) lots of 1,500 kilos.

MEAT/VEGETABLES

COVENT GARDEN (prices in sterling per package except where otherwise stated): Imported produce: Oranges—Spania: Navels 3.80-4.40; Cyprus: Valencia Lates, 15 kilos 3.40-3.60; Jaffa: Shamouti 3.75-4.05; Egyptian: Valencia Lates 2.60; Moroccan: 2.60-3.80. Lemons—Italian: 100/120's 3.50-3.60; Cyprus: 2.40-3.00; Spania: Small trays 25/50's 1.60. Grapefruit—Cyprus: 15 kilos 2.50-2.60, 20 kilos 3.00-3.50; Jaffa: 20 kilos 3.00-3.75. Apples—French: Golden Delicious 20 lbs, 84's 2.50-2.70, 72's 2.70-3.00; 40 lbs 5.40-6.00, Golden Delicious jumble pack, per pound 0.11-0.14; Italian: Rome Beauty, per pound 0.14, Golden Delicious 0.11-0.14; U.S.: Red Delicious 7.50-8.00, MacIntosh 7.50-7.80; S. African: Dunn's 6.20-6.30, Jonathan 6.80-7.20, Starking Delicious 7.30-7.50; Chilean: Granny Smith 7.20-7.60; New Zealand: Cox's Orange Pippins 216's 9.00. Pears—S. African: Williams Bon Chretien 6.60-6.70, Beurre Hardy 5.60-6.20; Italian: Passacrassane trays 13/14 lbs 1.60-1.70; Dutch: Conference per pound 0.14; Victorian: Williams Bon Chretien 7.80-8.20; Argentine: Packham's Triumph 7.50. Grapes—S. African: Waltham Cross 5.80, Barlinka 5.60, Salba 5.20. Plums—S. African: Golden King/Songold per pound 0.45-0.46. Bananas—Jamaican: Per pound 0.15. Melons—Chilean: White 4.50, Green 5.50; Colombian: Green 3.20. Avocados—Israeli: Hass 16/24's 3.50-3.70; Kenya: Fuerte 14/24's 4.00-4.50; S. African: Fuerte 4.30-4.50. Strawberries—Israeli: 0.40; Spanish: 0.30-0.45; Californian: 0.90. Lettuce—Dutch: 24's 2.00. Pineapples—Ivory Coast: 0.40-0.90 each. Onions—Dutch: Large 2.60-2.70, medium 1.60; Polish: 2.00; Chilean: Bags approx. 50 lbs 3/5's 5.20-5.30; Boxes approx. 42 lbs 100's 6.00. Capsicums—Kenya: Per pound 0.40; Canary: 0.38. Celery—Spanish: 15's/36's 5.50-6.00. Potatoes—Canary: 3.00-3.70; Egyptian: 3.80-3.90. Cauliflowers—French: 24's 4.50; Jersey: 4.60. Cucumbers—Dutch: 14/16's 1.60-2.00; Canary: 1.20-1.40. Tomatoes—Canary: 2.50-4.50; Jersey: Per pound 0.53.

English produce: Potatoes—Per 56 lbs White/Reds 2.00-2.40. Lettuce—Per 12's 0.80-0.90. Beetroots—Per 28 lbs 1.30-1.40. Sprouts—Per pound 0.12. Turnips—Per 28 lbs 0.50. Carrots—Per bag 0.80-1.20. Parsnips—Per 28 lbs 0.80-1.00. Onions—Per 56 lbs 1.80-2.30. Swedes—Per 28 lbs 0.45-0.50. Rhubarb—Per pound, outdoor 0.10. Cucumbers—Per tray 12/24's 1.40-2.20. Mushrooms—Per pound 0.40. Apples—Per pound Bramley's 0.15-0.19, Cox's Orange Pippins 0.18-0.26, Laxtons 0.08-0.12. Pears—Per pound Conference 0.11-0.15. Tomatoes—Per pound English 0.40-0.50.

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 53.5; Eire hindquarters ... Veal: ... hinds and ends ... Lamb: ... medium ... Scotch medium ... to 51.0 ... 44.0.

Pork: English, under 100 lbs 37.0 to 42.0; 100-120 lbs 36.0 to 41.0; 120-160 lbs 36.0 to 41.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 6. GB—Cattle 67.56p per kg.l.w. (−1.10); U.K.—Sheep 146.3p per kg.est.d.c.w. (−1.3); GB—Pigs 62.0p per kg.l.w. (−0.5); England and Wales—Cattle numbers up 5.6 per cent., average price 67.66p (−1.50), Sheep down 9.7 per cent., price 141.1p (−0.2); Pig up 2.5 per cent., price 62.0p (−0.5). Scotland—Cattle numbers up 17.0 per cent., price 67.28p (−0.45); Sheep down 0.01 per cent. price 139.4p (−3.2).

★

GRIMSBY—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.60-£4.20; codlings £2.30-£3.40; large haddock £4.20-£4.60, medium £3.50-£4.00, small £2.50-£3.20; best small plaice £3.00-£3.20; skinned dogfish (medium) £9.00; rockfish £2.30-£3.10; reds £1.80-£2.40; saithe £1.60-£2.40.

VEGETBLE OILS

LONDON PALM OIL—Closing: April 320.00-330.00, May 300.00-320.00, June 300.00-330.00, July 300.00-320.00, Aug. 300.00-320.00, Sept. 290.00-310.00, Oct. 290.00-310.00, Nov. 280.00-305.00, Dec. 280.00-300.00. Sales: Nil.

Olive oil pact extension discussed

GENEVA, April 6.

AN UNCTAD conference began a three-day session to-day to discuss extending a 25-nation agreement on trade in olive oil for one year when it expires at the end of 1978.

Nassau Adams, head of Unctad's agriculture commodities branch, said the extension would enable EEC member states to participate more fully in preparations for negotiating a new international olive oil agreement.

Mr. Adams said the present agreement, concluded in 1963, and extended for five years in 1973, now covers about 96 per cent. of world production and 93 per cent. of world consumption. Reuter

BRAZIL SOYABEAN ESTIMATE LIFTED

WASHINGTON, April 6.

THE U.S. Agriculture Department says it is maintaining its forecast of the 1978 Brazilian soyabean crop at between 10 to 10.5m. tonnes.

Recently Cacex, the Banco du Brazil foreign trade department, estimated production at between 9.2 and 9.8m. tonnes, but USDA officials said subsequent rains had improved the crop outlook. Last year, the crop totalled 12m. tonnes and originally a bigger output was predicted before being cut back by lack of rain.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	April 6 1978	+ or —	Month ago
Metals			
Aluminium	[illegible]		[illegible]
Free market (cts)	[illegible]		[illegible]
Copper cash W. Bar	[illegible]		[illegible]
3 months do. do.	[illegible]		[illegible]
Cash Cathode	[illegible]		[illegible]
3 months do. do.	[illegible]		[illegible]
Gold troy oz.	[illegible]		[illegible]
Lead cash	[illegible]		[illegible]
3 months	£316.75	+2.0	£309.25
Nickel			—
Free Market (cif)	$1.95 -2.05	....	$1.85-2.04
Platinum troy oz.	£117.50	....	£114.5
Free Market	£118.55	+1.8	£122.55
Quicksilver (76lb.)	$130/50	....	$125-30
Silver troy oz.	284.65p	+2.1	274.25p
3 months	289.45p	+1.9	279.2p
Tin Cash	£5,770	+55	£6,065
3 months	£5,807.5	+55.0	£6,022.
Wolfram 22.04lb. cif	$146-50		$150-56
Zinc cash	£306.5	—7.0	£263.5
3 months	£311.75	—6.5	£264.5
Producers	$580	....	$550
Oils			
Coconut (Phil)	$600y	—10.0	$675
Groundnut	$752	....	$601
Linseed Crude(r)	$318	....	$310
Palm Malayan	$561½	—8.0	$625
Seeds			
Copra Philip.	$395v	—5.0	$460
Soyabean (U.S.)	$287z	+4.0	‡
Grains			
Barley HGC.			
Home Futures	£80.70	+1.25	£71.8
Maize			
French No. 3 Am	£104.75	....	£100.5
Wheat			
No. 1 Red Spring	£94.75p	+0.25	£88
No2 Hard Winter		....	
English Milling	£97.25	....	£94
Cocoa Shipment	£2,020	+1.0	£1,853
Future July	£1,938.2	+20.75	£1,784.5
Coffee Future			
July	£1,323	+15.0	£1,416.5
Cotton 'A' Index	68.8oc	....	67.8oc
Rubber kilo	46.25p	....	48.25p
Sugar (Raw)	£99.0	+0.5	£99.5
Wooltops 64s kilo	272p	....	271p

Nominal. ‡ Unquoted. o April. s May-June. u June. v April-June. y April-May. z May. x Per ton.

INDICES

FINANCIAL TIMES

Apr. 5	Apr. 4	Month ago	Year ago
234.86	234.96	232.28	275.10

(Base: July 1, 1952=100)

REUTER'S

April 6	April 5	Month ago	Year ago
1429.2	1431.6	1365.1	1732.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	April 5	April 4	Month ago	Year ago
Spot	361.68	359.72	354.20	431.62
Futures	349.74	349.16	334.98	416.59

(Average 1924-25-26=100)

MOODY'S

Moody's	April 5	April 4	Month ago	Year ago
Spot Commdty	905.9	904.8	904.8	944.5

(December 31, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 93 tonnes, bringing the total for the week so far to 548 tonnes, W. F. Tattersalls reported. Restricted operations continued, with only limited support in various American-type growths. African qualities attracted most attention.

U.S. Markets

Metals and gold rise: grains firm

NEW YORK, April 5.

GOLD rallied on the close, based on the news from the U.S. Under-Secretary of Commerce that for several months the United States trade balance should be equal to a 4.5 deficit. Silver rose in sympathy with gold. Coffee rallied on the continuous tight sales policies of producers. Sugar closed higher on trade and Commission House buying. Cocoa advanced, as did all grains markets and soyabeans, Bache reports.

Cocoa—May 159.75 (159.00), July 154.50 (152.35), Sept. 151.40, Dec. 145.80, March 142.00, May 139.40, July 137.05 settlements. Sales: 1,001.

Coffee—"C" Contract: May 168.00 (164.46), July 147.50-148.50 (145.97), Sept. 134.74-134.75, Dec. 121.00-122.00, March 115.50-118.00, May 115.00-116.00, July 112.50-113.50, Sept. 112.00-115.00. Sales: 665 lots.

Copper—April 60.40 (61.00), May 60.90 (61.50), June 61.40, July 61.90, Sept. 62.90, Dec. 64.40, Jan. 64.90, March 65.90, May 66.90, July 67.90, Sept. 68.90, Dec. 70.40, Jan. 70.90 settlements. Sales: 4,000 lots.

Cotton—No. 2: May 56.00 (56.15), July 57.35 (same), Oct. 59.20, Dec. 60.05-60.10, March 61.45-61.55, May 62.00-62.15, July 62.55-62.75. Sales: 325,000 bales.

*Gold—April 178.50 (177.30), May 179.40 (178.20), June 180.40, Aug. 182.50, Oct. 185.20, Dec. 187.60, Feb. 190.40, April 193.20, June 196.10, Aug. 199.00, Oct. 202.00, Dec. 205.00, Feb. 208.00 settlements. Sales: 14,600 lots.

†Lard—Chicago loose 24.50 nom. (25.75). New York prime steam 24.00 asked.

‡Maize—May 258½-259½ (256½), July 258½-258½ (253), Sept. 253½-254, Dec. 255½-256, March 263, May 267½.

§Platinum—April 219.30-219.60 (219.50), July 223.30-224.00 (223.40), Oct. 227.00-228.00, Jan. 231.70-231.90, April 235.80-236.00, July 239.80-240.00. Sales: 1,064 lots.

§Silver—April 523.70 (521.70), May 526.50 (524.70), June 530.30, July 534.20, Sept. 542.10, Dec. 554.30, Jan. 558.40, March 566.60, May 575.30, July 583.50, Sept. 592.40, Dec. 605.10, Jan. 609.40 settlements. Sales: 13,500 lots. Handy and Harman spot bullion 524.40 (516.10).

Soyabeans—May 682-683 (671½), July 677-675 (671½), Aug. 664-665, Sept. 635½, Nov. 617-617½, Jan. 622, March 628½, May 633½.

Soyabean Meal—May 178.00-177.50 (175.90), July 180.00-179.50 (178.20), Aug. 180.00, Sept. 172.50, Oct. 168.50-169.00, Dec. 169.00-169.50, Jan. 170.00-170.50, March 172.50-173.00, May 173.50-174.50.

Soyabean Oil—May 24.85-24.80 (24.90), July 24.30-24.35 (24.25), Aug. 23.70-23.65, Sept. 22.50-22.60, Oct. 21.80-21.90, Dec. 21.55-21.40, Jan. 21.30, March 21.30, May 21.25-21.30.

Sugar—No. 11: May 7.76-7.78 (7.67), July 8.09-8.10 (7.96), Sept. 8.32-8.33, Oct. 8.45, Jan. 8.70-8.90, March 9.23, May 9.46-9.48, July 9.67, Sept. 9.80-9.88. Sales: 2,975 lots.

Tin—489.00-495.00 asked (493.00 asked).

**Wheat—May 321½-322 (318), July 321-322 (320½), Sept. 325½-325, Dec. 330½-330, March 336-336½, May 336.

WINNIPEG, April 5. ††Rye—May 115.20 bid (114.10 bid), July 112.50 asked (111.60 bid), Oct. 111.10-111.30 bid, Nov. 109.50 bid, Dec. 109.00 bid.

††Oats—May 82.70 bid (80.90 bid), July 80.40 bid (78.80 asked), Oct. 79.30 bid, Dec. 78.29 bid.

‡‡Barley—May 82.90 (81.60), July 82.50 (81.30), Oct. 81.50, Dec. 81.50 bid.

§§Flaxseed—May 244.00 (242.00 bid), July 242.50 asked (240.50 asked), Oct. 242.50 bid, Nov. 224.15 bid, Dec. 242.00 asked.

**Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 167.04 (163.57).

All cents per pound ex-warehouse unless otherwise stated. *$s per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime Steam f.o.b. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 ounce units of 99.9 per cent. purity delivered NY. § Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 34 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ‖‖ $C per tonne.

EUROPEAN OPTIONS EXCHANGE

[illegible]

STOCK EXCHANGE REPORT

Another firm day but leaders close below the best

Index up 1.2 at 471.4, after 474.2—Gilts higher

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 13	Mar. 30	Mar. 31	Apr. 11
Apr. 3	Apr. 13	Apr. 14	Apr. 25
Apr. 17	Apr. 27	Apr. 28	May 10

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Buoyed up by a revival of Budget optimism, equity stock markets made a good showing yesterday. However, the leaders drifted back after an initial bout of enthusiasm and, with a little *stock coming on offer* in the late afternoon, final quotations were well below the best and occasionally easier on balance. Up 4 points at its highest of the day, the FT 30-share index eased to record a net *rise* of 2.4 at 3 p.m. which was *reduced further* to a gain of only 1.2 at the close of 471.4. **London Brick**, up 5 at 66p on the better-than-expected preliminary results, accounted for a point of the index rise.

British Funds continued firmly and widespread *modest gains* throughout the list were reflected in the Government Securities index which improved 0.17 more to 74.23.

Buying interest in secondary stocks broadened considerably, while bid speculation was again well to the fore in the day's proceedings. The more widespread advance was illustrated by a majority of rises over falls by around 3-1 in FT-quoted Industrials. *Official markings* of 5,984 compared with 4,844 on Wednesday.

Gold shares charted an erratic course. After a substantial mark up at the *start* in the wake of rise in bullion, prices reacted sharply on revived uncertainty about the possibility of sales of gold by the U.S. and final quotations were *only marginally* dearer on balance. The Gold Mines index closed 2.1 higher at 153.7.

Gilts quietly firm

A specialised demand in the *early trading led to a fresh upturn* which Gilt-edged maintained until the afternoon dealings. Then the gains were pared, but only by about ⅛, as the market took on a sombre mood in front of next week's Budget. The long tap **Exchequer 10¼ per cent. 1995** revived after a recent lethargic spell and closed with an excep*tional rise of ½ at 90¾, still some* way below the Government broker's last operative level. Low-coupon *shorts* were in the van, being ¼ higher in places, but the average gain in the sector was usually of ⅛. Although Treasury bills were indicating a level which, if maintained to-day, should trigger a rise in Minimum *Lending Rate*, the chances of this happening before Tuesday's Budget were considered remote.

Institutional demand for investment currency more than offset arbitrage offerings released by overseas activities in South African Gold shares and the premium rose 1½ points to 103¼ per cent., after 103½ per cent. *Yesterday's SE conversion factor* was 0.6670 (0.6898).

L. Ryan made a lively return *to the market; after opening* at 8½p the 5p shares touched 10½p and closed at 10p for a premium of 4 over the price ruling when the shares were suspended in 1975.

Ins. brokers easier

Insurances were notable chiefly for Brokers which gave ground throughout the list. **Matthews Wrightson** shed 10 to 195p and **Sedgwick Forbes** declined 8 to *385p*, while **Alexander Howden** and **Minet** both cheapened 3 to 168p and 177p respectively. Among Composites, **Sun Alliance** at 550p, retrieved all and a couple pence more of the previous day's fall of 12 following comment on the results.

The major clearing banks made progress in thin trading. **Midland** *fared* best at 384p, up 8, while **Barclays** added 4 at 342p, as did **NatWest** to 276p. Australian concerns also closed higher. **ANZ** were 11 better at 243p and **Bank of New South Wales** 10 to the good at 470p. **G. R. Dawes** were quoted at 35p ex the capital distribution. Dull of late on fears of higher interest rates, Hire Pur*chases* closed mixed. **Provident Financial** improved 3 to 92p but **Wagon Finance** lost 2 to 38p.

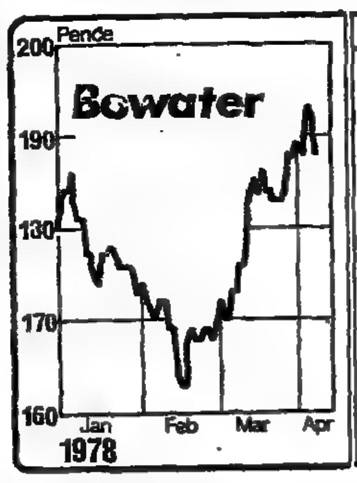
Breweries and Distilleries adopted the same pattern of trading as on Wednesday, fluctuating narrowly and closing with *little alteration*.

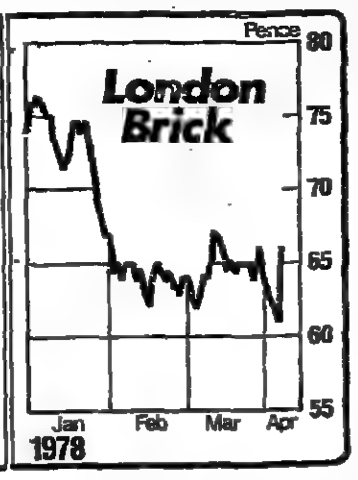
Better-than-expected annual results pushed **London Brick** *smartly* ahead to close at the day's best with a rise of 5 at 66p. Elsewhere in a busier Building sector, **Tilbury Contracting** rose 14 more to 279p, making a two-day leap of 39, following comment on the good preliminary *figures*. **Taylor Woodrow**, *on the* other hand, fell away sharply to touch 366p in reaction to annual profits which came £3m. below expectations, before closing 12 easier on balance at 370p. **Aberthaw Cement** shed 10 to 150p, following the Board's gloomy statement about current year prospects which accompanied the *year's results. Fresh speculative* buying lifted **Marchwiel** 3 to 288p, after 292p, and **Magnet** and **Southerns** and **AP Cement** both ended 4 higher at 182p and 240p respectively. Bid hopes continued to bolster **Brown and Jackson**, a further 3 firmer at 63p, while **Milbury** gained 6 to 76p in a thin market.

A couple of dull features amerged *in Chemicals*. The directors warning of nil profits growth *in* the current year depressed **Albright and Wilson** 7 to 107p, while **Croda International** lost 4 to 50p, after 49p, in reaction to the disappointing annual profits. **ICI** touched *368p initially* but drifted down late to finish a net 3 easier at 362p. **Hickson and Welch** improved 5 to 168p.

W. H. Smith dull

Profit-taking following the uninspiring annual results prompted a fall of 10 to 147p in **W. H. Smith A**. Elsewhere in quieter Stores, **British Home** moved up 2 to 185p with the help of Press comment. **Freemans**, *still benefiting from recent trading news*, gained 5 more to 298p and **Ratner's** improved 3 more to 97p on further consideration of the increased stake taken in the group by H. Samuel.





Speculative favourites were well to the fore in the Electrical sector **United Scientific** stood out with a gain of 12 to 296p in a limited market, while *MK* advanced 7 to 170p and **Farnell** were 6 dearer at 218p. In contrast, **BICC**, at 112p, gave up 4 of the previous day's rise of 10 which followed the results. **Henry Wigfall** ran back 6 to 204p, while the lower half-yearly profits prompted dullness in **AB Electronic** which gave up 4 to 92p. Leading issues closed a shade easier for choice after showing initial gains of a few pence.

Selected Engineerings *again* benefited from investment demand. **John Brown** made a fresh *peak for the year* of 300p before closing a net 5 higher at 298p. **GKN** gained 4 to 278p, after 281p, and **Spirax-Sarco** rose 9 further to 285p, the last-named being stimulated still by the prospect of best-ever results in the current year. Demand *in a limited market* raised **Stothert and Pitt** 10 to 170p, while **Jones and Shipman** were *lifted* 8 to 120p and **James Austin** 5 more to 112p. The chairman's confidence inspired fresh support of **Stone-Platt**, 1½ better at 109p, and **Henry Sykes** moved up 4 to 96p in response to the increased profits. Other noteworthy movements included **Aurora**, 99p, **Chemring**, 54p, and **Braithwaite**, 139p, all with gains *of 4, while Birmid Qualcast*, 65½p, and **Babcock and Wilcox**, 116p, were both 3 dearer. **Davy International** made fresh improvement to 227p, up 2, and similar gains were recorded in **Laird**, 88p, and **Molins**, 119p.

Cadbury Schweppes stood out in Foods at 54p down 1½, on disappointment with the preliminary *figures*. *J. E. England* eased a penny more to 32p on further consideration of the results, while **Taverner Rutledge** shaded 2 to 101p reflecting the chairman's statement at the annual meeting. **Spillers** closed without alteration at *32½p*, after 33p, *following a* reasonable trade. **J. Sainsbury** closed 2 up at 175p, after 178p, *helped by a report* that it is keeping a larger share of the package grocery market, while continuing speculative demand lifted **Geo. Bassett** 6 further to 146p. Investment support enabled **United Biscuits** to rise 4 to 153p, and **Fitch Lovell** 3 to 68p. Other firm spots included **Cullen's Stores**, 3 better at 98p, and *Bishop's Stores A, 4 up at 137p*. In Supermarkets, **William Low** improved 4 to 102p.

Savoy Hotel A, *a firm market of* late on the preliminary figures and capital proposal, fell 4 to 72p in otherwise quietly firm Hotels and Caterers. **Queens Moat Houses** were slightly harder at 33½p despite the bid denial, while *Ladbroke, 185p, and City Hotels*, 102p, put on 2 apiece.

Speculative activity was again rife among secondary miscellaneous Industrials. **Letraset**, still on bid hopes, were particularly active and a further 2 dearer at 144p, while gains of around 10 were seen in **Marshalls Universal**, 162p, **Royal Worcester**, *123p*, and **Diploma Investments**, 147p. Renewed investment support lifted **Sotheby Park** 6 more to 258p and similar rises were recorded in **Wedgwood**, 202p, **Siebe Gorman**, 188p, and **Christies International**, 95p; annual results of the last-named are due next Wednesday. **Pauls and Whites** attracted a good demand at 121p, up 6, and **Coral Leisure**, at 119p, recorded a *Press-inspired gain of* 4. **Morgan Crucible**, however, cheapened 2 to 121p, after 126p, *following* the annual results, and lower profits prompted a fall of 3 to 52p in **Grampian**. A firm market of late on a Press suggestion that the U.K. and France are reviewing proposals for a new cross-Channel project, **Channel Tunnel** encountered profit-taking and shed 6 to 53p. **Bowater** featured the leaders with a reaction of 4 to 188p on *disappointment* with the preliminary results. Dealings in **Scottish and** *Universal Investments*, 107p, were suspended at the company's request pending an announcement; this sparked off rumours that Lonrho may announce a full-scale bid. News of Lonrho's bid approach and the subsequent rejection from the "Suits" Board came well after the market close. **House of Fraser** gained 4 to 150p in sympathy.

Noteworthy movements were few and far between in Motors *and Distributors*. **Group Lotus** hardened 2 to a 1978 peak of 53p with the help of call-option *business*, while interest was *also* shown in **Automotive Products**, 3 better at 112p, and **Dowty**, 4 higher at 177p. **Lucas Industries** ended a penny better at 287p, after 291p. **Associated Engineering** eased 2 to 114p on light profit-taking following the previous day's rise of 5. Other dull spots included **Manchester Garages**, 3½ *cheaper at 24½p in a thin* market.

A. and C. Black highlighted Newspapers *and kindred trades* with a jump of 16 to 88p following the much better-than-expected annual results. **British Printing**, also responding to sharply higher preliminary profits, moved up 2½ to 48½p. **News International**, however, *reflected disappointment* with the annual outcome and dipped 5 late to 262p.

Properties were firm enough although the level of trade was small. Gains were limited to a penny in leaders such as **Land Securities**, 209, and **MEPC**, 117p, while some secondary issues improved twopence or so. **Berkeley Hambro**, 94p, and **Brixton Estates**, 96p, were included in the latter category along with **Fairview** *Estates, which moved up 3 to* 109p. Renewed speculative enthusiasm raised **Intereuropean** 2 to 37p and, in a narrow market, **Chesterfield** were lifted 5 to 300p. Still reflecting the midway improvement, **Scottish Metropolitan** hardened the turn to 105p, while the chairman's encouraging remarks at the annual meeting *brought a slightly higher* level for **Peachey**, at 74½p. **Greencoat** settled at the unchanged price of 5p, after 4½p, following Wednesday's sharp reaction on the assets reduction because of the big French development loss.

Two-way trade in BP

A combination of American selling and London buying made for a good volume of business in **British Petroleum** which, after improving marginally, reverted finally to the overnight level of 736p: evidently, the shares are still being quoted cum the dividend in the U.S. Remaining Oils were neglected, but occasionally better where changed. **Elebens (U.K.)** gained 4 to 262p, while **Tricentrol**, 158p, and **Oil Exploration**, 210p, were up 2 apiece. **Shell** and **Royal Dutch** stayed at their respective overnight prices of 518p and £46¼.

Overseas Traders were firm. **Harrisons and Crosfield** rose 13 to 375p, while **Ocean Wilsons** *finished* 4 better at 82p and **Paterson Zochonis** 5 higher at 180p. **United City Merchants** were again popular, the Ordinary rising 3 to 56p and the 10 per cent. loan 4 to 56p.

Although closing on a firm note, Investment Trusts traded quietly. **Edinburgh Investment Deferred** were raised 4 to 204p, while *Rothschild Investment*, 167p, and **Scottish Eastern Investment**, 127p, put on 3 apiece. **Kingside Investment** continued firmly, rising a penny for a two-day gain of 8 to a 1978 peak of 56p on the bid approach from an unnamed party. After Wednesday's sharp gains, Japanese issues were quieter and little changed. In Financials, *Armour Trust* were active and a penny harder at 10p, after 10½p.

Furness Withy featured an otherwise quietly firm Shipping section, closing 9 cheaper at 221p, after 220p, on the occasional small sale in an unwilling market.

A. Dunhill returned to favour in Tobaccos, rising 17 to 357p in a thin market. **BAT Industries** were also active following news of the launch of the company's *first cigarette brand in the U.K.*; the Deferred rose to a 1978 peak of 269p before closing 2 cheaper on balance at 263p. **Dawson International A** rose 4 to 107p in little-changed Textiles.

Primrose again provided the only noteworthy movement in South African Industrials, rising 4 to a 1978 peak of 92p for a two-day gain of 7 since confirmation that the Tongaat group had allowed its offer to lapse.

Golds erratic

After a day of erratic movements South African Golds closed marginally firmer on balance after being marked up substantially at the outset.

The initial mark up came in the wake of the sharp rise in the bullion price following the statement by Mr. Anthony Solomon, the U.S. Under-Secretary of the Treasury, that "there is no special sale of gold being planned right now."

However, further reports suggesting the possibility of monthly U.S. auctions of around 300,000 to 400,000 ounces caused a setback in both bullion and gold shares, which left the Gold Mines index only 2.1 higher at 153.7, a rise which also partly reflected the firmer investment currency premium.

The bullion price was finally $1.25 higher at $180.125, after being $182 at the morning fixing, per ounce compared with the $177.92 paid at the Wednesday's International Monetary Fund auction.

A good deal of U.S. and Cape buying of shares was reported in the morning but interest waned in the afternoon as the U.S. came in as a seller.

The early American buying was mainly centred around the heavyweights with **West Driefontein** and **Western Holdings** both ¼ harder on balance at £18⅞ *and £17¼ respectively*.

Premium influences lifted South African *Financials* which closed at or around the day's best levels. **Anglo American** advanced 8 to 306p, while **Union Corporation** and **De Beers** registered rises of 6 apiece at 284p and *322p respectively*. **Afrikander Lease**, however, dropped 10 to 270p in front *of news of the suspension of the* uranium development plans.

Among London-registered Financials **Gold Fields** rose [illegible] 180p initially but eased back in the late trade to close a penny cheaper on balance at 176p.

Australians were firmer across the board *reflecting the strength* of overnight domestic markets and were further helped by the better premium. Uraniums were particularly strong with **Pancontinental** ¾ up at £10, **Peko-Wallsend** 15 higher at a 1978 high of 45[illegible] and **EZ Industries** another [illegible] firmer at 185p.

Coals showed **Utah Mining Australia** 15 to the good at 31[illegible] and **Oakbridge** 3 better at 153[illegible] London buying lifted **North Broken Hill**, which closed at [illegible] 1978 high of 99p, a rise of [illegible] Among the more speculative Australians **Tasminex** put on 5 [illegible] *50p and Consolidated Rutile* [illegible] same amount to 45p.

FINANCIAL TIMES STOCK INDICES

	Apr. 6	Apr. 5	Apr. 4	Apr. 3	Mar. 31	Mar. 30	A year ago
Government Secs.	74.23	74.06	73.84	73.86	73.89	74.05	69.62
Fixed Interest	77.38	77.31	77.22	77.16	77.38	77.77	70.31
Industrial Ordinary	471.4	470.2	467.8	462.5	465.8	467.7	405.0
Gold Mines	153.7	151.6	156.1	157.4	158.7	152.9	119.2
Ord. Div. Yield	5.75	5.76	5.79	5.84	5.81	5.77	5.68
Earnings Y'ld% (full) (*)	17.31	16.60	17.01	17.17	17.07	17.04	17.46
P/E Ratio (net) (*†)	8.17	8.50	8.25	8.18	8.22	8.24	8.40
Dealings marked	5,984	4,844	5,414	4,859	5,499	5,045	5,869
Equity turnover £m.	—	55.15	76.39	60.56	74.54	72.87	53.41
Equity bargains total	—	16,824	22,623	19,112	18,313	19,232	13,539

10 a.m. 474.2. 11 a.m. 473.1. Noon 473.4. 1 p.m. 473.1. 2 p.m. 472.8. 3 p.m. 472.6.
Latest Index 01-246 8026.
* Based on 52 per cent. corporation tax. † Nil=8.12.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	75.64 (4/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	77.14 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.3 (6/1)	435.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.5 (8/3)	150.3 (5/1)	442.5 (22/5/75)	43.5 (28/10/71)

S.E. ACTIVITY

	Apr. 6	Apr. 5
—Daily		
Gilt-Edged	177.9	163.4
Industries	211.0	160.8
Speculative	42.5	40.9
Totals	136.2	110.3
5-day Av'rage		
Gilt-Edged	167.4	162.8
Industrials	183.2	175.4
Speculative	45.2	47.6
Total	121.0	116.7

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (130)

FOREIGN BONDS (1)
AMERICANS (10)
CANADIANS (2)
BANKS (5)
BEERS (3)
BUILDINGS (8)
CHEMICALS (1)
DRAPERY AND STORES (5)
ELECTRICALS (6)
ENGINEERING (13)
FOODS (6)
HOTELS (1)
INDUSTRIALS (26)
MOTORS (5)
NEWSPAPERS (1)
PAPER AND PRINTING (8)
PROPERTY (1)
SHOES (1)
SOUTH AFRICANS (2)
TEXTILES (1)
TOBACCOS (2)
TRUSTS (13)
OILS (3)
OVERSEAS TRADERS (8)
MINES (4)

NEW LOWS (15)

CHEMICALS (1)
Croda Intl.
ENGINEERING (1)
Bailey (C. H.)
FOODS (1)
England (J. E.)
INDUSTRIALS (3)
Chappe Wares Stockdale
Photax (London)
INSURANCE (3)
Leslie & Godwin Moran (C.)
Matthews Wrightson
PROPERTY (3)
Country & N. Town Law Land
Greencoat
SHIPPING (1)
Furness Withy
TRUSTS (2)
Scot. & Mercantile 'A' N.M.C. Inv.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	66	—	[illegible]
Corpns., Dom. and Foreign Bonds	6	—	[illegible]
Industrials	402	147	[illegible]
Financial and Prop.	182	35	[illegible]
Oils	11	—	[illegible]
Plantation	2	7	[illegible]
Mines	78	15	[illegible]
Recent Issues	3	4	[illegible]
Totals	[illegible]	[illegible]	[illegible]

FOOD PRICE MOVEMENTS

	April 6 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,060	1,060	1,060
British A.1 per ton	1,035	1,035	1,035
Irish Special per ton	1,035	1,035	1,035
Ulster A.1 per ton‡	1,035	1,035	1,035
BUTTER			
NZ per 20 lbs	11.41/11.52	11.41/11.52	11.41/11.52
English per cwt†	63.66/67.28	67.37	65.27
Danish salted per cwt†	70.15/72.60	70.15/71.18	70.15/71.18
CHEESE*			
NZ per tonne	1,161.50	1,161.50	1,161.50
English cheddar truck per tonne	1,219.42	1,219.42	—
EGGS*			
Home produce:			
Size 4	3.40/3.90	—	3.90/4.30
Size 2	4.00/4.60	—	4.40/4.90
	April 6 p	Week ago p	Month ago p
BEEF			
Scottish killed sides (ex-KKCF)	52.0/55.5	50.5/53.5	49.0/53.0
Eire forequarters	38.0/40.0	35.0/38.0	—
LAMB			
English	49.0/50.0	50.0/60.0	49.0/53.0
NZ PLs-PMs	43.0/46.0	43.0/46.0	44.0/46.0
MUTTON—English ewes	—	—	—
PORK—(all weights)	35.0/42.0	36.0/42.0	36.0/42.0
POULTRY—Broiler chickens	33.5/35.0	32.5/33.0	32.0/34.5

* London Egg Exchange price per 120 eggs. † Delivered. ‡ For delivery April 8-15.

OPTIONS TRADED

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 21	Apr. 10	Jun. 22	July 4
Apr. 11	Apr. 24	July 6	July 18
Apr. 25	May 9	July 20	Aug. 1

For rate indications see end of Share Information Service

Money was given for the call in **Rio Tinto-Zinc**, **Keyser Ullman**, **Lonrho**, **St. Piran**, **Stafiex International**, **KCA International**, **Silvermines**, **Burmah Oil**, **Midhurst Whites**, **Intereuropean Property**, **Mills and Allen**, **UCM**, **Group Lotus**, **P and O Deferred**, **Wheatsheaf Distribution**, **Highland Electronics**, **Town and City Properties**, **Guinness Peat** and **Erskine House**. Puts were arranged in **Highland Distilleries**, **Christopher Moran** and **Beecham**, while doubles were taken out in **St. Piran**, **Adda International**, **Letraset**, **Mills and Allen**, **Intereuropean Property** and **Gussies A**.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BP	£1	15	736	—	864	720
Letraset	10p	13	144	+ 2	148	98
BATs Defd.	25p	11	263	− 2	289	227
Burmah Oil	£1	11	45	—	57	44
Bowater	£1	10	188	− 4	194	163
ICI	£1	9	362	− 3	365	328
Royal Insurance	25p	9	369	+ 1	425	350
Shell Transport	25p	9	518	—	533	454
Barclays Bank	£1	8	342	+ 4	350	296
Commercial Union	25p	8	151	+ 2	156	138
Cons. Gold Fields	25p	8	178	− 1	204	166
P & O Defd.	£1	8	99	—	118	95
Reed Intl.	£1	8	117	—	143	102
Thorn Elect.	25p	8	358	+ 2	392	336
Beecham	25p	7	647	—	678	583

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
—	F.P.	[illegible]	[illegible]	[illegible]	Bio-Isolates (L.) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
105	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., April 6, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net)	Wed. Apr. 5 Index No.	Tues. Apr. 4 Index No.	Mon. Apr. 3 Index No.	Fri. Mar. 31 Index No.
1	CAPITAL GOODS (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (26)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (71)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS (DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Lt. Electronics, Radio TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS (NON-DURABLE) (170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Stores (39)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (97)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (55)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (495)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (100)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (31)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (673)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Thurs. Apr. 6	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	106.18	+0.11	—	2.47
2	5-15 years	120.31	+0.32	—	2.07
3	Over 15 years	126.67	+0.35	—	3.24
4	Irredeemables	141.06	+0.29	—	1.78
5	All stocks	117.86	+0.25	—	2.57

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Thurs. Apr. 6	Wed. Apr. 5
1	Low Coupons	5 years	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]

		Thurs., April 6 Index No.	Yield %	Wed. April 5	Tues. April 4	Monday April 3	Friday March 31	Thurs. March 30	Wed. March 29	Tuesday March 28
15	20-yr. Red. Deb. & Loans (15)	60.27	11.50	60.75	60.75	60.78	60.86	61.01	61.01	61.07
16	Investment Trust Prefs. (15)	56.57	12.61	56.11	56.11	56.07	55.92	55.79	55.79	56.09
17	Coml. and Indl. Prefs. (20)	73.15	12.43	73.79	73.76	73.76	73.96	74.13	74.15	74.30

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

BASE LENDING RATES

...N. Bank	6½%	■ Hill Samuel ...§	6½%
...ied Irish Banks Ltd.	6½%	C. Hoare & Co. ...†	6½%
...erican Express Bk.	6½%	Julian S. Hodge	7½%
...ro Bank	6½%	Hongkong & Shanghai	6½%
...P Bank Ltd.	6½%	Industrial Bk. of Scot.	6½%
...ry Ansbacher	6½%	Keyser Ullmann	6½%
...nco de Bilbao	6½%	Knowsley & Co. Ltd.	9 %
...k of Credit & Cmce.	6½%	Lloyds Bank	6½%
...k of Cyprus	6½%	London Mercantile	6½%
...k of N.S.W.	6½%	E. Manson & Co. Ltd.	8 %
...que Belge Ltd.	6½%	Midland Bank	6½%
...que du Rhone	7 %	■ Samuel Montagu	6½%
...clays Bank	6½%	■ Morgan Grenfell	6½%
...rett Christie Ltd.	8½%	National Westminster	6½%
...mar Holdings Ltd.	7½%	Norwich General Trust	6½%
...t. Bank of Mid. East	6½%	P. S. Refson & Co.	6½%
...wn Shipley	6½%	Rossminster Accept'es	6½%
...ada Permanent AFI	6½%	Royal Bk. Canada Trust	6½%
...itol C & C Fin. Ltd.	8½%	Schlesinger Limited	6½%
...zer Ltd.	7 %	E. S. Schwab	8½%
...ar Holdings	8 %	Security Trust Co. Ltd.	7½%
...rterhouse Japhet	6½%	Shenley Trust	9½%
...ulartons	6½%	Standard Chartered	6½%
E. Coates	7½%	Trade Dev. Bank	6½%
...solidated Credits	6½%	Trustee Savings Bank	6½%
...perative Bank ...*	6½%	Twentieth Century Bk.	7½%
...inthian Securities	6½%	United Bank of Kuwait	6½%
...dit Lyonnais	6½%	Whiteaway Laidlaw	7 %
...Cyprus Popular Bk.	6½%	Williams & Glyn's	6½%
...ncan Lawrie ...¶	6½%	Yorkshire Bank	6½%
...il Trust	6½%		
...lish Transcont.	8 %		
...t London Secs.	6½%		
...t Nat. Fin. Corpn.	8½%		
...t Nat. Secs. Ltd.	8 %		
...ony Gibbs	6½%		
...yhound Guaranty	6½%		
...ndlays Bank ...‡	6½%		
...nness Mahon	6½%		
...mbros Bank	6½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 3%, 1-month deposits 3½%.

† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½% and over £25,000 4½%.

‡ Call deposits over £1,000 3%.

§ Demand deposits 4%.

¶ Rate also applies to Sterling Ind. Secs.

For New Court Property see under Rothschild Asset Management

NOTES

Prices do not include $ premium, except where indicated ♠, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at 21st March, 1978 (Base 100 at 14.1.77.)

Clive Fixed Interest Capital	135.42
Clive Fixed Interest Income	122.34

CORAL INDEX: Close 467-472

INSURANCE BASE RATES

† Property Growth	8%
† Vanbrugh Guaranteed	7.50%

† Address shown under Insurance and Property Bond Table.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1978 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102½	101½	Treasury 10½pc '78‡‡	101⅓	......	10.38	6.24
95⅞	94¼	Exch. 5pc '76-78‡‡	99½	......	5.03	6.45
105⅛	103⅜	Treasury 11½pc '79‡‡	103⅜	......	11.10	7.40
97	94¾	Treasury 3pc '79‡‡	96⅛	......	3.12	5.82
97⅞	95⅞	Electric 4½pc '74-79	96⅞	......	4.39	6.49
104⅝	102½	Treasury 10½pc '79‡‡	102⅝xd	......	10.23	8.67
96½	94¾	Electric 3½pc '76-79	95½	–⅛	3.66	6.49
103⅛	100⅛	Treasury 9pc 1980‡‡	100⅝	–1/16	8.95	8.65
102⅞	100½	Treasury 9½pc '80‡‡	100⅝	+1/16	9.43	9.13
95⅓	93	Treasury 3½pc '77-80	93⅝	......	3.74	6.67
96½	94	Funding 5½pc '78-80‡‡	95⅞	......	5.48	7.31
110¼	107¼	Exchequer 13pc 1980‡‡	107⅜	–⅛	12.10	9.71
106¼	103⅝	Treasury 11½pc 1981‡‡	104⅜	–1/16	11.01	9.61
91⅝	90½	Treasury 3½pc 1979-81	90½	......	3.88	7.39
101¾	99¼	Treasury 9¾pc 1981‡‡	100⅞	+1/16	9.66	9.40
97⅜	95¼	Exch. 8¼pc 1981	96½	+⅛	8.51	9.37
100¾	93⅜	Exch. 9½pc 1981	99⅜	+⅛	9.51	9.52
87½	87½	Exch 3pc 1981	87⅝	+1/16	3.42	7.20
96⅜	96⅛	Treas. Variable '81§§	96⅜	–1/16	6.74	7.66
111	107⅜	Exch. 12¾pc 1981‡‡	108⅜	+1/16	11.78	9.99
99⅜	95⅞	Treas 8½pc '80-82‡‡	97	+⅛	8.76	9.45
86⅝	84	Treasury 3pc '82‡‡	85⅝	+⅛	3.50	7.34
115⅝	111¾	Treasury 14pc '82‡‡	112⅞	+⅛	12.40	9.96
96	95¾	Treas Variable '82§§	95¾	......	6.78	7.69
96⅜	93⅞	Treasury 8¼pc '82	95⅜	+⅛	8.65	9.60
100¼	96½	Exch. 9¼pc 1982	98	+⅛	9.44	9.80
96⅞	95⅞	Exch. 8¾pc 1983●	95⅞	+⅛	9.13	9.84
85¼	81	Exch 3pc '83	82⅛	+¼	3.64	7.36
114¼	105⅜	Treasury 12pc 1983‡‡	108	+⅛	11.11	9.90
		Five to Fifteen Years				
100⅓	95¾	Treasury 9¼pc '83	98⅞	+⅛	9.55	10.02
89⅝	85½	Funding 5½pc '82-84‡‡	87	+¼	6.41	8.68
96⅞	93	Treasury 8½pc '84-86‡‡	94½	+¼	9.19	9.85
87⅝	81½	Funding 6½pc '85-87‡‡	81¾xd	+¼	7.91	9.48
89⅝	85	Treasury 7¾pc '85-88‡‡	86¼	+¼	9.15	10.24
68⅝	63⅝	Transport 3pc '78-88	64⅞	+¼	4.68	8.27
75⅝	68⅛	Treasury 5pc '86-89	68¾xd	+¼	7.26	9.50
115¼	108⅞	Treasury 13pc 1990‡‡	111⅛	+⅜	12.01	11.68
89⅜	84⅜	Treasury 8¼ 87 90‡‡	85⅝	+¼	9.93	10.77
106½	100⅛	Treasury 11¾pc 1991	102⅜	+⅜	11.80	11.80
75⅛	67¾	Funding 5¾pc '87-91‡‡	68⅞	+¼	8.41	10.20
112⅛	106	Treasury 12¾pc '92‡‡	108	+⅜	12.10	11.93
96⅞	86¼	Treasury 10pc 1992	90¼	+⅜	11.23	11.60
113	101⅜	Exch. 12¼pc '92	103⅜	+⅜	12.01	11.95
		Over Fifteen Years				
110⅝	104⅜	Treasury 12½pc '93‡‡	106⅜	+⅜	12.07	11.98
72⅞	64½	Funding 6pc 1993‡‡	65¾	+¼	9.18	10.60
120¼	114	Treasury 13¾pc 1993‡‡	116⅜	+⅜	12.35	12.11
128⅞	115¾	Treasury 14½pc '94‡‡	117¾	+⅜	12.47	12.15
114⅛	102¾	Exch. 12½pc 1994	104¼	+⅜	12.11	12.04
89⅞	85	Treasury 9pc '94‡‡	86	+⅜	10.91	11.35
106¾	100⅝	Treasury 12pc '95	102¾	+⅜	11.95	11.94
51⅞	47	Gas 3pc '90-95	47¼xd	......	6.34	9.16
95	88⅝	Exch. 10¼pc 1995●	90⅜	+½	11.53	11.76
200	107⅞	Treasury 12¾pc '95‡‡	110⅛	+⅜	12.13	12.03
90½	81⅜	Treasury 9pc '92-96‡‡	82⅛	+¼	11.03	11.44
131½	119½	Treasury 15¼pc '96‡‡	120½xd	+⅜	12.54	12.26
117⅝	111½	Exchequer 13¼pc '96‡‡	113⅝	+⅜	12.22	12.09
50	46	Redemption 3pc 1986-96	46⅛	......	6.51	9.07
115¾	109⅛	Treasury 13¼pc '97‡‡	111⅜	+⅛	12.19	12.06
98⅜	90¼	Exchequer 10½pc 1997	91⅞	+⅜	11.66	11.82
88¼	79	Treasury 8¾pc 1997‡‡	80	+¼	11.06	11.44
72¼	64⅛	Treasury 6¾pc '95-98‡‡	65xd	+¼	10.31	11.08
135⅜	122½	Treas. 15½pc '98‡‡	124⅜	+⅜	12.50	12.26
90½	85½	Treasury 9½pc 1999‡‡	86½	+¼	11.28	11.50
96¼	90¾	Treasury 10½pc 1999	92⅛	+⅜	11.69	11.81
42½	39¼	Funding 3½pc '99-04	39¾	......	8.98	10.24
80⅞	72⅛	Treasury 8pc '02-06‡‡	72¾xd	+¼	11.00	11.20
58⅜	51¼	Treasury 5½pc '08-12‡‡	51⅞	+¼	10.69	10.95
76⅛	71⅛	Treasury 7¾pc '12-15‡‡	71¾	+¼	11.03	11.11
		Undated				
37⅞	34⅜	Consols 4pc	34⅞	+⅛	11.71	—
37⅛	35½	War Loan 3½pc‡‡	35¼	+⅛	10.13	—
39¼	36¼	Conv. 3½pc '61 Aft.	36½	+⅛	9.60	—
28⅜	25⅜	Treasury 3pc 66 Aft.	25⅜	......	11.83	—
24⅛	21⅞	Consols 2½pc	22	......	11.37	—
24	21¼	Treasury 2½pc	21¼	......	11.79	—

**INTERNATIONAL BANK

88	83½	5pc Stock '77-82	83½	......	5.97	9.70

**CORPORATION LOANS

98¾	96¼	Birm'ham 9¾pc '79-81	97¾	+¼	9.46	10.04
94¼	91	Bristol 7¾pc '79-81	92¾	......	8.36	10.20
107	103¼	G.L.C. 12½pc '82	105¾	......	11.82	10.73
112	103¾	Do. 12½pc 1983	107¾	......	11.80	11.00
97⅜	94¼	Glasgow 9¼ '80-82	96¼	......	9.66	10.42
93	90⅜	Herts. 5½pc '78-80	92¼	......	5.69	9.33
99½	97⅞	Liverpool 5¾pc '76-78	99⅛	......	5.80	7.53
102½	97¼	Do. 9¼pc '80-84	99½	+¼	10.18	10.70
29¾	28¾	Do. 3½pc Irred.	29xd	......	12.26	
100⅛	99	Lon. Corp. 6½pc '76-78	99⅞	......	6.52	7.42
99¼	92	Do. 9¼pc '84-85	94½xd	......	9.80	10.32
97¼	95	L.C.C. 6pc '76-79	96½	......	6.22	8.72
92½	89¼	Do 5½pc '77-81	89¼	......	6.16	9.19
87½	79¼	Do 5½pc '82-84	80½	......	6.94	10.01
75½	70½	Do. 5½pc '85-87	73¼	......	7.69	10.37
78	72½	Do 6¾pc '88-90	74¼	+¼	9.29	10.82
26½	24½	Do. 3pc '20 Aft.	24¾	......	12.42	—
93¾	91½	Middx. 5¼pc 1980	93¼	......	5.63	9.07
99½	97½	Newcastle 9¾pc '78-80	98¼	......	9.42	10.03
106¼	104	Warwick 12½% 1980	104¾	......	11.93	10.32

COMMONWEALTH & AFRICAN LOANS

100⅞	98½	**Aust. 5½pc '75-78	99¼xd	+⅛	5.55	7.41
95¾	93½	**Do. 5½pc '77-80	95⅛	......	5.87	9.46
88¼	84	**Do. 5½pc '81-82	84½xd	......	6.51	10.34
98⅜	96¾	**N.Z. 4pc 1976-78	98⅜	......	4.12	8.37
96½	92¼	**Do. 6pc '76-80	94¼	......	6.40	9.71
87¼	85½	**Do. 7½pc '83-86	87	......	8.85	10.29
95	91	Sth. Africa 9½pc '79-81	91½xd	......	10.31	12.23
70	55	Sth. Rhod. 2½pc '65-70	57	......	—	—
96	85	Do. 6pc '78-81	88	......	—	—

LOANS

Public Board and Ind.

64½	59	Agric. Mt. 5pc '59-89	63½	......	8.03	10.91
90½	88	Alcan 10½pc '89-94	89	......	12.33	12.70
33¾	31	**Met. Wtr. 3pc 'B'	31¼	......	9.67	11.37
117	107	U.S.M.C. 9pc 1982	117	+1	7.93	5.44
94½	92½	Do. without Warrants	94½	......	9.83	11.50
100	99	Ultramar 7pc '75-78	100	......	7.23	12.20

Financial

107¼	103¾	**FFI 13pc '81	105½	......	12.32	10.67
110	102	Do. 14pc '79	102xd	......	13.72	12.50
114½	109	Do. 14pc '83	113	......	12.84	11.78
85	79½	ICFC 5½pc Deb. '80-82	81½xd	......	6.75	10.80
81½	78	Do. 6¾pc Db. '81-84	79	......	8.18	11.50
99	95½	Do. 10½pc Uns.Ln. '86	97	......	11.12	11.50
99¼	96	Do. 11pc Uns.Ln. '88	96½	......	11.73	12.05
101½	98½	Do. 11¾pc Uns.Ln. '90	99½	......	12.17	12.30
71½	67	Do. 7¼pc A Deb. '89-92	67	......	11.29	12.65
71½	64	Do. 7¼pc A Db. '91-94	64xd	......	11.33	12.40
84½	76½	Do. 9pc 'A' '91-94	77xd	......	11.69	12.30
81¼	74	Do. 8⅞pc Ln. '92-97	74½	......	12.19	12.70

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
19½	18	Antofagasta Rly.	18	......	—	—
33	33	Do. 5pc Pref.	33	......	B—	—
98	98	Chilean Mixed	98	......	3	£3.09
370	350	German Yng. 4½pc.	350#	......	4½	—
52	46	Greek 7pc Ass.	52	......	3½	f6.93
50	46	Do 6pc 28 Stab. Ass.	49	......	6	f6.12
44	40	Do 4pc Mixed Ass.	43	......	4	f4.71
52	42	Hung. '24 Ass.	52	......	4½	5.55
77	70	Iceland 6½pc '83-88	70	......	—	11.80
88	86¼	Ireland 7½pc '81-83	86½	......	8.45	11.41
91	82½	Do 9¾pc '91-96	83	......	11.88	12.28
365	265	Japan 4pc '10 Ass.	365	+5	—	—
87	77	Do 6pc '83-88	84½	......	6	8.45
160	145	Peru Ass. 3pc	145xd	......	3	2.07
75p	75p	S.G.I. 6½pc 1980	75	......	6½	8.67
99	96½	Turin 9pc 1991	$96½	......	9	9.33
DM82½	DM81	Turin 6½pc 1984	DM81	......	6½	11.35
94	94	Uruguay 3½pc	94	......	3½	4.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1978 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
16¾	13½	ASA	16	......	80c	—	2.8
60½	60½	AMF 5% Conv. '87	60½	......	5%	—	f
27½	22	Amax $1	26½	+⅛	$1.75	—	3.7
26¼	21¾	American Express.	25¼	+¼	$1.40	—	3.1
33½	11	Amer. Medic. Int.	16⅞	......	30c	—	1.0
15½	969p	Asarco Inc.	15⅜	+¼	40c	—	1.5
34½	28¾	Baker Intnl. Corp. $1	34	......	64c	—	1.1
15⅜	11⅞	Barnes Grp. $6⅔	15¼	......	90c	—	3.3
26¾	22	Bendix Corp. $5	26½xd	......	$2.28	—	4.9
16¼	13	Beth. Steel $8	16¼	+¼	$1.00	—	3.5
946p	625p	Brown'g Fer. c16⅔	914pxd	–7	40c	—	2.5
11⅝	857p	Brunswick Corpn. ‖	11⅜	......	70c	—	3.5
50¾	41⅞	Burroughs Corp. $5	46½xd	+1	$1.00	—	1.2
35⅞	30½	CBS $2.50	35½	–⅛	$2.40	—	3.8
35⅞	28¼	C.P.C. $½	35xd	+½	$2.50	—	4.0
38	32¼	Caterpillar‖	37⅞	+⅜	$1.80	—	2.8
23⅛	17⅞	Chase M'htn.$12.5	22⅛	......	$2.20	—	5.6
17⅝	13⅝	Chesebrough $1	17⅝	......	94c	—	3.0
942p	765p	Chrysler $6¼	914p	+23	$1.00	—	6.1
16¼	13½	Citicorp $4	15¾xd	–¼	$1.06	—	3.8
10⅞	733p	City Inv. $1.25	10¼	–¼	$1.00	—	5.5
20½	14⅜	Do. Cm. Prf. B $1	19½	–1	$2	—	5.8
15⅝	12¾	Colgate-P. $1	15½	......	$1.00	—	3.6
35⅜	29	Colt Inds. $1	34⅞xd	–⅛	$2.75	—	2.9
19½	15½	Cont. Illinois $10	19¼	+¼	$1.32	—	3.9
22½	17	Cont. Oil $5	22½	+2½	$1.40	—	3.5
24¾	20⅛	Crown Zell. $5	24¾xd	......	$1.90	—	4.4
26⅞	20⅛	Cutler-Hammer $5.	26¼	+⅓	$1.40	—	2.9
27⅓	22	Eaton Crp. $0.50	27¼	+¼	$2.25	—	4.7
21½	17¼	Esmark	21xd	+⅛	$1.84	—	4.9
35⅛	28¼	Exxon ‖	35⅜	+¼	$3.20	—	5.1
11¼	670p	Firestone Tire ‖	10¼xd	......	$1.10	—	5.8
14	11¼	First Chicago	14xd	+½	96c	—	3.8

AMERICANS—Continued

1978 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
26	20¾	Fluor Corp. $⅔	25½xd	+⅛	$1.20	—	2.6
35¾	26⅝	Ford Motor $2	35¾	+½	$3.20	—	5.1
19⅓	16⅛	GATX	19⅓xd	+¾	$2.50	—	7.3
37	29⅝	Gen. Elect. $2½	36½	+2⅞	$2.20	—	3.4
21⅞	15½	Gillette $1	20	–⅛	$1.50	—	4.2
35¼	28	Honeywell $1.50	34¾	+⅝	$1.90	—	3.1
949p	750p	Hutton E.F.	934p	......	$0.68	—	4.1
188	171	I.B.M. Corp. $5	187	+3	$11.52	—	3.0
41½	34	Ingersoll-R $2	41½	+1⅛	$3.00	—	4.1
17⅝	735p	Int. Systems & Con. $1	14⅝	......	25c	—	1.0
902p	705p	I.U. International.	895p	–6	90c	—	5.7
23⅞	18	Kaiser Al. $⅓	22½	......	$1.60	—	4.0
25¼	20	Manf. Han. US$7.50	24⅜	–⅛	$2.08	—	4.8
34	26⅝	Morgan (JP) US$2.5	34xd	+1	$2.20	—	3.6
14½	12	Norton Simon Inc. $1.	14⅜	+⅜	76c	—	3.0
16¼	13⅛	Owens-Ill. $3.125	15¾	+¼	h$1.06	—	3.8
17⅛	14⅛	Quaker Oats US$5	16¼xd	......	$1.04	—	3.6
23⅜	15⅛	Reliance $0.25	23	......	15c	—	—
25¼	16¼	Rep. N.Y. Corp. $5	24⅛xd	......	$1.00	—	2.6
12⅞	11	Rexnord $5	12¼	......	80c	—	3.7
18¼	14⅛	Richdsn.-Mrrll.$1¼	17	......	90c	—	3.0
457p	255p	Saul (B. F.) $1	457p	+11	—	—	—
24½	18½	Shell Oil $1	24⅛	+⅛	h$1.60	—	3.7
15	11⅞	Singer ($10)	14⅝	......	60c	—	2.3
27¼	22⅞	Sperry Rand $0.50	27⅛xd	+⅜	$1.12	—	2.4
27⅛	18⅝	TRW Inc. $1¼	26	–⅛	$1.80	—	3.9
23¾	18⅝	Tenneco	23¾	+⅜	$2.00	—	4.7
139	131	Do. 10% Ln. Stk. 91-95	135½	+½	10%	—	£7.6
695p	505p	Tesoro Pt. US$0.16⅔	671p	–7	—	—	—
20½	16⅞	Texaco $6.25	20	+⅛	$2	—	5.6
31⅛	22⅞	Time Inc.	31⅛	+⅜	$1.30	—	2.4
10⅞	865p	Transamerica $1	10⅝xd	......	80c	—	4.2
28⅛	21¼	Utd. Tech. $US5	28⅛	+⅛	$2.00	—	4.0
22¼	17¾	U.S. Steel $1	20⅛	+⅜	$1.60	—	4.5
14½	11½	Woolworths $3½	14⅛	......	$1.40	—	5.6
33	28⅞	Xerox Corp. $1	32⅞	+½	$2.00	—	3.5
620p	385p	Xonics Inc. 10c	605p	–15	7½c	—	0.7
13⅜	10⅞	Zapata Corp. 25c	13⅜xd	+⅜	s30c	—	1.3

S.E. List Premium 46% (based on $US1.8738 per £)

Conversion factor 0.6879 (0.6898)

CANADIANS

1978 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
13⅛	10⅛	Bk. Montreal $2	13	+1/16	$1.06	—	3.9
13⅛	10⅜	Bk. Nova Scotia $1	13	+1/16	92c	—	3.4
37⅜	30¼	Bell Canada 25c	36⅞xd	+⅞	$4.2	—	5.3
18	12	Bow Valley‖	17½	......	10c	—	0.3
11¼	825p	Brascan‖	10⅞	+⅛	$1.00	—	4.3
18⅞	13⅝	Can. Imp. Bk. $2	18	–⅞	$1.44	—	3.8
11¾	955p	Can. Pacific $5	11⅝	+⅛	97c	—	3.9
37½	35½	Do. 4pc Deb. £100	35½	......	4%	—	11.3
19¾	16⅜	Gulf Oil Can.‖	19¾	+¾	$1.14	—	2.8
420p	315p	Hawker Sid. Can.‖	400p	+5	40c	—	4.7
21¼	16⅞	Hollinger $5	21¼	+⅜	$2.06	—	4.5
12¾	11¼	Hudson's Bay ‖	12¾xd	+1/16	69c	—	2.4
30¾	24⅞	Hud. B. Oil G. $2½	30	+⅛	$1.60	—	2.5
13½	11⅛	Imperial Oil‖	13⅛	+¼	86.4c	—	3.1
12⅝	945p	Inco	12⅝	+⅜	$1.25	—	4.7
735p	585p	Inl. Nat. Gas $1	725p	+5	80c	—	5.2
10⅜	610p	Massey Ferg.‖	765p	+60	—	—	—
27⅞	21⅛	Pacific Pet. $1	26⅝	+⅜	86.4c	—	1.5
69p	50p	Place Gas $1	61½p	+½	—	—	—
20½	15	Rio Algom	20½	+½	$1.08	—	2.5
19¾	14⅞	Royal Bk. Can. $2	19⅜	......	$1.46	—	3.5
17⅞	13⅛	Seagram Co. C$1	17⅞	+1¼	92c	—	2.4
12½	955p	Tor. Dom. Bk. $1	12⅞	–⅛	80c	—	0.0
10¼	10p	Trans Can. Pipe	10⅛p	+⅛	103c	—	0.0

S.E. List Premium 46% (based on $2.1322 per £).

BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
243	186	ANZ $A1	243	+11	th012.8c	—	3.3	—
293	220	Alexanders D. £1	225	......	14.33	—	9.6	—
£125½	£90½	Algemene Fl.100	£125½	......	Q21½%	2.5	4.7	8.8

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Cont.

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
210	155	Falcon Rh.50c	185xd	+5	Q50c	1.3	23.1
24	17	Rhod'n Corp. 16½p	19	+1	0.57	4.3	4.5
73	52	Roan Cons. K4	70	......	—	—	—
157	122	Tanganyika 50p	126	+1	Q11.0	1.1	8.7
80	78	Do. Pref. 80p	80	......	Q9%	16.4	9.0
41	32	Wankie Col. Rh 1	38	......	†Q7½c	1.4	17.8
12½	10	Zam.Cpr.SBD0.24	11½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
12	10	Acmex 25c	10	......	—	—	—
103	64	Bougainville 50 Toea.	103	+2	Q8c	1.4	4.9
77	63	BH South 50c	74	+1	—	—	—
192	148	Conzinc Riotinto 50c	186	+1	Q10c	ϕ	3.4
72	52	G.M. Kalgoorlie $1	56	......	—	—	—
95	81	Hamptn Areas 5p	95	+1	1.45	4.1	2.3
17	10	Metals Ex. 50c	13	......	—	—	—
167	125	M.I.M. Hldgs. 50c	167	+1	Q9c	1.7	3.3
23	10	Mount Lyell 25c	20	+3	—	—	—
2½	1½	Newmetal 10c	1½	......	—	—	—
99	79	North B. Hill 50c	99	+6	Q8c	1.5	5.0
11½	8½	Nth. Kalgurli	11	......	—	—	—
153	117	Oakbridge $A1	153	+3	†Q11c	1.9	4.5
37	30	Pacific Copper	34	+1	—	—	—
£10	750	Pancont'l 25c	£10	+¾	—	—	—
18½	12	Paringa M&Ex.5p	15½	......	—	—	—
455	310	Peko-Wallsend 50c	455	+15	Q15c	4.0	2.0
111	84	Westn. Mining 50c	107xd	-1	Q6c	1.4	3.5
50	35	Whim Creek 20c	45	-5	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
30	24	Amal. Nigeria	25	......	†2.51	1.6	15.2
285	240	Ayer Hitam $M1	280	......	†Q41c	0.9	‡
55	45	Beralt Tin	53	......	3.75	2.3	10.7
235	200	Berjuntai $M1	235	+3	†Q110c	ϕ	‡
126	111	Geevor	115	......	18.05	3.4	23.8
10	8½	Gold & Base 12½p	8½	......	—	—	—
270	225	Gopeng Cons.	225	......	15.0	0.9	10.1
150	130	Hongkong	147	......	—	—	—
93	83	Idris 10p	83	......	7.5	ϕ	13.7
11	10	Jantar 12½p	11	......	—	—	—
73	68	Kamunting $M0.50	69	......	ZQ15.5c	0.7	4.8
450	450	Killinghall	450	......	Q125	ϕ	27.8
320	280	Malay Dredging $M1	285	......	†Q95c	0.8	7.2
50	40	♦Pahang	49	......	†Q2.5	8.5	5.1
58	50	Pengkalen 10p	50	......	6.5	1.3	19.7
190	165	Petaling $M1	172	+2	mQ12½c	10.9	1.6
61	49	Saint Piran	50	+1	g1.99	4.6	6.0
61	47	South Crofty 10p	50	......	b4.13	1.5	12.5
180	140	South Kinta $M0.50	148	......	tQ77.8c	1.4	11.3
280	240	Sthn Malayan $M1	240xd	......	tQ131.3c	1.1	11.8
170	134	Sungei Besi $M1	170	......	—	—	—
68	55	Supreme Corp. $M1	68	......	ZQ10c	—	3.2
100	90	Tanjong 15p	90	......	4.5	ϕ	7.6
90	74	Tongkah Hrbr. $M1	85	......	Q68%	1.6	14.4
180	148	Tronoh $M1	173	......	ZQ88c	ϕ	10.9

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
96	70	Messina R0.50	85	-1	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
9	9	Burma Mines 17½p	9	......	—	—	—
300	220	Cons. Murch. 10c	255	+5	Q30c	2.6	7.0
325	245	Northgate C$1	297	+2	—	—	—
202	164	R.T.Z.	196	+1	t8.5	q3.1	6.6
46½	31	Sabina Inds. C$1	31½	+½	—	—	—
950	750	Tara Exptn. $1	800	-37	—	—	—
45	43	Tehidy Minerals 10p	43	......	1.21	2.5	4.3
152	120	Yukon Cons. C$1	152	......	Q7c	ϕ	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ● Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issues cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	......	Sheff. Refrshmt.	51	......
Ash Spinning	45	+2	Sindall (Wm.)	83	......
Bertam	20	+4			
Bdg'wtr. Est. 50p	283	+5			
Clover Croft	22	......	**IRISH**		
Craig & Rose £1	410	......			
Dyson (R. A.) A.	41	......	Conv. 9% '80/82.	£95½	......
Ellis & McHdy	65	......	Alliance Gas	75	......
Evans Fr'k.10p.	57	......	Arnott	290	......
Evered	15¼	......	Carroll (P.J.)	92	......
Fife Forge	47	......	Clondalkin	91xd	......
Finlay Pkg. 5p	20xd	+1	Concrete Prods.	128	+4
Graig Ship. £1	170	-10	Heiton (Hldgs.)	43	-1
Higsons Brew	80	......	Ins. Corp.	200	......
I.O.M. Stm. £1	147	......	Irish Ropes	132	......
Holt (Jos.) 25p	255	......	Jacob	65	......
N'thn. Goldsmith	54	......	Sunbeam	29xd	+2
Pearce (C. H.)	129	......	T.M.G.	198	+10
Peel Mills	17	......	Unidare	82	......
Sheffield Brick	46	......			

OPTIONS
3-month Call Rates

Industrials		I.C.I.	23	Tube Invest.	30
A. Brew	6½	"Imps"	7	Unilever	40
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	7	Vickers	15
Babcock	10	KCA	5	Woolworths	6
Barclays Bank	25	Ladbroke	17		
Beecham	38	Legal & Gen.	14	**Property**	
Boots Drug	15	Lex Service	7	Brit. Land	3¼
Bowaters	16	Lloyds Bank	22	Cap. Counties	5
B.A.T.	24	"Lofs"	5	E.P.	5
British Oxygen	6	London Brick	5	Intreuropean	4
Brown (J.)	20	Lonrho	7	Land Secs.	18
Burton 'A'	13	Lucas Inds.	25	MEPC	12½
Cadburys	5	Lyons (J.)	13	Peachey	10
Courtaulds	10	"Mams"	7	Samuel Props.	10
Debenhams	10	Mrks. & Spncr	11	Town & City	2
Distillers	13	Midland Bank	25		
Dunlop	8½	N.E.I.	20	**Oils**	
Eagle Star	11	Nat. West. Bank	22	Brit. Petroleum	35
E.M.I.	18	Do. Warrants	10	Burmah Oil	7
Gen. Accident	17	P & O Dfd.	10	Charterhall	3½
Gen. Electric	18	Plessey	9	Shell	28
Glaxo	40	R.H.M.	5	Ultramar	22
Grand Met.	9	Rank Org. 'A'	18		
G.U.S. 'A'	18	Reed Intl.	14	**Mines**	
Guardian	18	Spillers	4	Charter Cons.	12
G.K.N.	22	Tesco	4	Cons. Gold	20
Hawker Sidd.	20	Thorn	22	Rio T. Zinc	16
House of Fraser	12	Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday April 7 1978

MPs' call for new curbs on entry rejected

By Rupert Cornwell, Lobby Staff

THE GOVERNMENT yesterday flatly rejected the call from an all party committee of MPs for tougher curbs on immigation into Britain, including an annual quota system, a possible internal control on entrants, and a ban on child dependents aged over 12.

In doing so, it has pre-empted to-day's presentation in Leicester of the Conservatives' keenly awaited proposals by Mr. William Whitelaw, Opposition Home Affairs spokesman.

The Tories, like the Select Committee on Race Relations and Immigration, backed the quota system. But the Government has also dismissed in advance another idea they are expected to put forward for a register of immigrants' dependants still overseas.

Mr. Merlyn Rees, the Home Secretary, maintained in the Commons yesterday that sufficient controls already existed on the inflow from the Indian subcontinent. Mass immigration had ended, and no further major steps were now required.

To support his case, he pointed to the White Paper on immigration statistics issued simultaneously by the Home Office. This confirmed that overall admissions from the New Commonwealth and Pakistan dropped 20 per cent. last year to 44,155, and were far below the 1972 peak of 68,519—a figure swollen by the mass expulsion of U.K. passport holders from Uganda.

Virtually the only areas of agreement are that major "primary" immigration is over, that the Government cannot go back on previous commitments and that illegal immigrants and over-stayers must be rooted out.

The Home Secretary described as "inhumane" the suggestion that entry should be refused for children over 12. To institute internal controls would lead to a system of identity cards, and would reach far beyond immigration. It would therefore be pointless to set up an inquiry to examine this.

He said the immigration authorities would be sufficiently flexible to see that women and children had priority.

Mr. Rees' statement was greeted rapturously by the Liberals and his own backbenchers, most of whom had been astonished by the report's stern tone, even though its signatories included five Labour MPs. But the Tories were furious, convinced that it had been carefully timed to overshadow their own announcement to-day.

Parliament, Page 14

Rhodesia to release hundreds of blacks

BY TONY HAWKINS — SALISBURY, April 6.

SEVERAL hundred black nationalist political detainees will be freed in the next week as a result of Rhodesia's settlement agreement signed five weeks ago.

This was announced to-night by the transitional Executive Council—composed of Mr. Ian Smith and the three domestic nationalist leaders—in a statement which said that terms of the March 3 Salisbury accord required the transitional Government to consider the release of detainees.

The statement said release would be phased and would be made subject to essential security safeguards. During next week the necessary orders would be signed and processed for the release of several hundred detainees.

In addition, there are 254 people who have been released from detention subject to restrictive conditions relating to movement. All these restrictions upon them are to be withdrawn, the statement added.

This release of detainees had been possible by the new circumstances brought about by the settlement agreement.

Now, many of the detainees were prepared to support a ceasefire and work "within the principles of the agreement."

"All those released will be required to give an undertaking that they will not participate in any subversive or other unlawful activity."

Envoy's visit

The announcement comes on the eve of the arrival in Salisbury to-morrow night of the two Anglo-American envoys — Mr. John Graham and Mr. Steven Low—who will try to arrange a full-scale all-party Rhodesian conference this month.

The move suggests that after a long period of relative inactivity—the agreement was signed five weeks ago—the transitional Government is getting under way. In the past 48 hours it has established a constitutional committee to draft a detailed constitution for Zimbabwe, it has agreed on the allocation of Cabinet portfolios in the Ministerial Council and now—in a major development—it has released the largest number of political detainees since pre-UDI days.

It has been estimated by Amnesty International that there were more than 900 blacks held in detention in Rhodesia under the emergency powers and law and order regulations. The implication of to-night's settlement is that more than half—possibly considerably more—have been released or will be freed in the next week or so.

It is noteworthy that the formal statement says that "many" of those released have agreed to support the ceasefire implying that opponents of the settlement—supporters of the Patriotic Front of Mr. Nkomo and Mr. Mugabe—are among those being released.

It is thought here that this is an astute move designed to throw off-balance some of the critics of the settlement just as the Patriotic Front and its supporters in the front-line states and the U.S. and British Governments are preparing a new attempt to replace the Salisbury agreement with the Anglo-American one.

Ethiopia, Russia upset by Owen

BY MARTIN DICKSON

THE RUSSIAN and Ethiopian embassies in London responded angrily yesterday to Dr. David Owen's strongly-worded attack on Soviet policy in Africa.

The Russian Embassy said the Foreign Secretary's speech on Wednesday night, at a Mansion House banquet for the diplomatic corps, had been expremely unfriendly and ad grossly distorted its policy in Africa.

Mr. Ayalew Wolde-Giorgis, the Ethiopian Ambassador, said that he had walked out of the banquet half-way through Dr. Owen's speech to demonstrate his strong resentment over the Foreign Secretary's effrontery towards Ethiopia.

In one of the bluntest attacks by a senior Western Minister on Moscow's policy in Africa, Dr. Owen gave a warning that Soviet and Cuban military involvement in the continent placed a large question mark over the future of detente.

The Russian Embassy yesterday delivered a statement to the Foreign Office criticising Dr. Owen's remarks—the Foreign Office said this did not amount to a formal protest—while Sr. George Bolanos Suarez, Cuban Ambassador, arranged to see Dr. Owen on Monday. The Ethiopian Embassy said that the statement by its Ambassador was response enough.

Mr. Ayalew said the question of Eritrea was an internal matter which would be solved by measures that Ethiopia saw fit to take "as an independent people." The Addis Ababa Government had a nine-point plan for a peaceful settlement, to which secessionists in the region had not responded.

Dr. Owen's questioning of Ethiopia's right to seek assistance in any form from any friendly country had been strange and uncalled for.

The Russian Embassy statement said that policy in Africa was aimed at building friendly relations on the basis of respect for the principle of the inviolability of frontiers, sovereign equality, territorial integrity of states and non-interference in each other's internal affairs.

Hugh O'Shaughnessy adds: No official Cuban response to the speech is expected to be made public before Sr. Bolaños sees the Foreign Secretary—but there is no doubt that Dr. Owen's words have been badly received by the Castro regime.

While President Castro considers his government a full member of the Marxist-Leninist world and firmly allied to Russia, Cubans often have said they consider their foreign policy to be distinct from that of Russia.

Whitehall pay deals delight Ministers

By Philip Bassett, Labour Staff

ANOTHER LARGE public sector pay deal was all but settled yesterday within Government guidelines when the largest Civil Service union decided to recommend acceptance of a 9.5 per cent. offer.

The civil servants were never likely to defeat the Government's pay policy. But the fact that 500,000 primarily white-collar workers have settled—subject to ballots in the two largest unions and final acceptance by the other six—confirms the Government's confidence over the progress of its pay policy.

The final outcome can be expected to encourage other white-collar workers to follow suit, and the sheer numbers involved will make the settlement an important success for the Government.

The executive of the Civil and Public Services Association voted yesterday to recommend acceptance of the offer when it ballots its 190,000 members.

The decision follows a similar move by the 105,000-strong Society of Civil and Public Servants earlier this week, which decided "reluctantly" to recommend the offer.

A consortium of six other Civil Service unions, representing 254,000 members, has indicated that the offer is acceptable. It is expected formally to accept the deal next week.

The offer, which is the same for all the unions involved, consolidates the £6 and 5 per cent. increases of Stages One and Two of the pay policy, and gives a 9.5 per cent. increase, with improvements to allowances and incremental progression, as well as the elimination of some anomalies.

The Civil and Public Services Association originally claimed increases ranging from 14 to 24 per cent., but these claims were dropped after the Government's determined stand against the firemen.

Mr. Ken Thomas, general secretary of the association, said after yesterday's decision: "We are not in the kamikaze business, which is what going further would mean. But we do want it to be understood that there is a large debt outstanding which we will be calling in next year."

BAT to enter UK cigarette market

BY STUART ALEXANDER

BRITISH-AMERICAN Tobacco is to enter the U.K. cigarette market nationally next month with one of the biggest promotional campaigns ever seen by the industry.

The launch, of two State Express 555 brands, follows two years of test marketing, and comes six years after BAT's trading agreement with Imperial Tobacco, owner of John Player and W. D. and H. O. Wills, ceased.

Under that arrangement, ended as a result of the provisions of the Treaty of Rome, BAT did not trade in rBitain, while Imperial did not trade abroad.

Now BAT is spending over £5m. in its attempt to establish itself in the U.K. market. Apart from the two versions of State Express, at planned recommended prices of 55p for the king-size and 60p for the "international" length, further brands are due to be launched in July.

With substantial promotional price cutting (and every effort likely to be made to hold the price regardless of Tuesday's Budget), BAT's moves are likely to renew the cigarette price war which has been going on for two years.

They threaten to put back the return to profitability in the king-size sector which both Imperial and its smaller rival, Gallaher, have said is badly needed.

Investment

Although the State Express launch is costing an initial £5m., Mr. Kit Stewart Lockhart, chairman of BAT (U.K. and Export), said yesterday that the company's total investment in the attack on the U.K. market was "tens of millions."

Competitors Imperial, Gallaher and Carreras Rothmans yesterday adopted a wait-and-see policy until after the Budget.

But most have sought to ensure that stocks with the retailers and wholesalers are high, to cushion the effects of any duty rise.

Mr. Lockhart said the U.K. division was not expected to contribute to group profits at least for the first year. BAT is already brand leader in 38 countries, has manufacturing facilities in 53 and trades in over 60.

BAT's campaign will include 5p per pack off the recommended 55p for king size plus a coupon inside worth a further 2p off subsequent purchases.

Coupons worth 5p will be sent to over 13m. homes, there will be extensive Press, poster and cinema advertising, as well as special campaigns using hot-air ballons and teams of girls giving away samples.

Mr. Mike Daube, director of Action on Smoking and Health, said the mailing of coupons to 13m. homes was "utterly irresponsible" and urged Ministers to curb the move because "it could only encourage children to smoke."

News Analysis, Page 16

THE LEX COLUMN

SUITS measures up to Lonrho

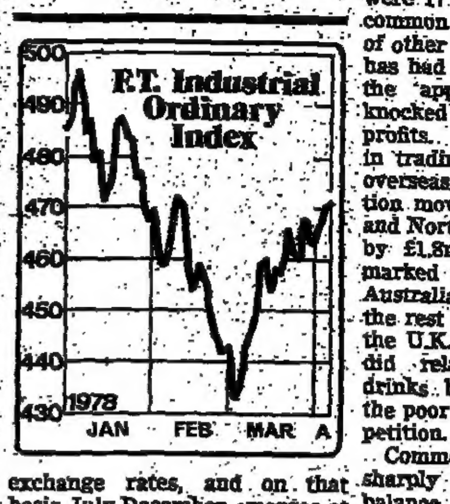
Lonrho's approach to Scottish and Universal Investments, its 29.2 per cent. owned associate, has all the makings of an intriguing takeover struggle. Lonrho is willing to offer 132p per share in its own equity (there is no cash alternative) which values SUITS at £41m. That is roughly in line with net assets, and represents a premium of 23 per cent on the market price and a p/e of maybe 15 on the basis of profits for the year just ended. And according to a majority of the independent SUITS' directors—on whose recommendation a bid is conditional—it is not enough.

Their case is that SUITS has two readily realisable assets in the form of its House of Fraser shares, currently worth £184m., and its whisky business which mighat be valued at £12m. or more. Stripping these out leaves a capitalisation of under £10m., and profits of over £3m.

Lonrho could presumably appeal directly to shareholders. But the bid underlines all the uncertainties about the value of Lonrho's paper. After all, the group is willing to contemplate an increase of over a fifth in its outstanding equity at a time when its shares are selling on a p/e of about 2½ and at a discount of over 50 per cent. on net assets. Unless the bid is underwritten, the market may not find the prospect of 40m. new Lonrho shares all that appealing.

A successful bid for SUITS would, however, represent another big step in Lonrho's rush for U.K. earnings. Its net assets in the U.K. now amount to over £100m., compared to total shareholders' funds of around £300m. And with SUITS under its belt, Lonrho would be outright owner of 29 per cent. of House of Fraser, a business which is currently valued at £182m.

Index rose 1.2 to 471.4



Bowater

One figure is indisputable: Bowater has reported pre-tax profits of £87m. for 1977, a gain of 11 per cent. Beyond that, the picture is more confusing. You might, for instance, deduce a second half decline to £42.3m., actually 10 per cent. lower than in the corresponding 1977 period, and also lower than January-June. That kind of reasoning left the shares 4p lower at 188p last night. But Bowater is quick to recalculate the half-year split according to the less favourable year-end exchange rates, and on that basis July-December emerges at £45.4m.

Bowater would still appear to have been on a profits plateau for 18 months. Here again, however, the company insists the quality of earnings has been improving, for if end-1977 exchange rates had been used in both years 1977's profits would have been almost a fifth ahead of those of 1976, while stock appreciation pumped £16m. into the 1976 figures but a negligible sum in 1977.

Taking the figures as they stand, the main growth has come outside North America—the U.K. activities have put on almost £10m. at the trading level, with packaging doing well. But while North American profits represent only 61 rather than (as in 1976) 65 per cent. of the total, to hold dollar profits in sterling terms has been a good achievement, which must reflect a strong performance in U.S. newsprint. This year the $20 a ton rise in the U.S. newsprint price should underpin North American prospects, but elsewhere conditions are quiet (apart from a boom in cotton trading). The shares look sound value, however, on a decently covered yield of just over 8 per cent.

Cadbury Schweppes

Cadbury Schweppes has turned in lacklustre performance. Sales have risen by 12 per cent. to £884m., pre-tax profits have crept four per cent. higher to £48.2m., trading margins have slipped to the lowest level this decade, and the interest charge is up by over a fifth. Last night, the shares slipped 1½p to 54p, where they yield 8.5 per cent.

At the halfway stage profits were 17 per cent. higher but in common with quite a number of other UK companies Cadbury has had a poor second half. The appreciation of sterling knocked perhaps £1m. off profits. Of the £4.5m. increase in trading profits, £4.0m. arose overseas. The Canadian operation moved back into the black and North American profits rose by £1.8m. Continental Europe marked time and it was up to Australia and Africa to provide the rest of the improvement. In the U.K. the confectionary side did relatively well but the drinks business suffered from the poor summer and keen competition.

Commodity prices fluctuated sharply during 1977 but the balance ended the year lower with the result that Cadbury's working capital increased by just £7m. (compared with an increase of £45m. the previous year) and net borrowings slipped by £1m. However, since the turn of the year they have risen by £..., following a $90m. term loan, which means that the current gearing is not much different from what it was a few months before thte 1975 rights issue.

Taylor Woodrow

Between 1974 and 1976, with the construction recession deepening, Taylor Woodrow's taxable profits doubled. So yesterday's announcement of pre-tax profits increased by only ... per cent. to £22.4m., about £1m. below the lower estimate, disappointed the market. The unexciting performance is partly explained by the strengthening pound, which took out £1m. from profits.

Overseas orders accounted for around ... per cent. of group profits in the previous year but now nearer ... per cent., have been hit by the limited nature of the ... and increased competition, although profits from the Middle East and West ... have held up well. In the U.K. the substantial completion of the Thistle field management contract for Burmah reduced turnover, and interest rate movements will have trimmed the income from £28m. of net cash balances.

Against this mixed background the shares at ... (down 12p), yielding 3 per cent., are likely to be ... able in the short term.

Jamaica to host North-South talks

BY CANUTE JAMES — KINGSTON, April 6.

HEADS OF Government from the industrialised world and developing countries will be invited to meet here in June to discuss the results of the North-South dialogue.

The decision to call the meeting comes after several weeks of consultation between Mr. Michael Manley, Jamaica's Prime Minister, and other heads of government.

A Foreign Ministry statement to-day said that Mr. Manley's discussions had uncovered much concern over "the present stalemate in the international dialogue between the developed and developing countries on economic issues.

"An informal discussion between a small group of heads of government might assist in establishing a better understanding of the issues involved and, it is hoped, have a positive influence on the dialogue."

Our Foreign Staff writes: The official reaction in Washington to the initiative was cool. The view was that while the U.S. would be happy to take part in any "fruitful discussion," a Heads of State meeting might not be the best initial forum. Such a meeting, it was argued, would require considerable preparation to be effective and that this could hardly be accomplished in the next few weeks.

West German officials confirmed that talks about the meeting were underway, but were keen to stress that a formal conference was not intended.

They said the idea for the meeting went back to a discussion between Mr. Manley and Herr Helmut Schmidt, West German Chancellor, earlier this year at the Socialist International gathering in Hamburg.

The reaction in Whitehall was that while Mr. James Callaghan would in principle be in favour of any meeting that would advance the North-South dialogue, prior commitments could prevent him from attending on the dates suggested by the Jamaicans.

Multinationals fight UN plan

BY ARNOLD KRANSDORF

A WORLD-WIDE campaign is being mounted against a United Nations commission's proposals to force multinational companies to disclose much more financial and social information in their annual reports.

Many companies, as well as accountants and business organisations, are concerned that the proposals will be approved at next month's meeting of the UN Commission on Transnational Corporations. They go far beyond the current requirements in many countries.

The commission will be considering a report by its own group of experts on international standards of accounting and reporting. Although it has no direct authority over such international standards, it could recommend that member governments implement the proposals through national legislation.

The UN recommendations are fashioned on U.S. reporting requirements but in some respects go beyond them — such as separate financial statements from parent companies, intermediate holding companies and individual affiliates, and details of transfer pricing.

Non-financial requirements include data on labour and employment, production, investment programmes and environmental measures.

The proposals represent the most comprehensive disclosure standard to be proposed on the international scene. They were announced towards the end of last year, but their significance is only now dawning on companies around the world.

The proposals have been enthusiastically endorsed by Mr. Kurt Waldheim, the UN Secretary General. He has made it clear that the intention is to seek enforcement by member governments. There seems little reason to doubt that they will be adopted, if not at the May session, then later.

Apart from misgivings about the proposals themselves, there is concern that once the UN document is approved, its provisions might quickly become standard in some developing countries.

In the U.K. the first major attack on the proposals has come from Sir Henry Benson, industrial adviser to the Bank of England since 1975 and a former chairman of the International Accounting Standards Committee. He has criticised them as doctrinaire, discriminatory, and over-ambitious. He questions whether the UN is the appropriate forum.

He said he hoped the commission would decline to accept the recommendations of the group of experts and invite the IASC to consider the problem instead.

Elsewhere, multinationals' reaction to the proposals is being co-ordinated by the International Chamber of Commerce and the International Organisation of Employers. In addition, the U.K. accounting profession is responding through Mr. Tom Watts, chairman-designate of the Accounting Standards Committee and a partner in Price Waterhouse, who is preparing a submission for the British Government.

The ICC/IOE joint commentary is being prepared by an ad hoc working party of the Commission on Multinational Enterprises under the chairmanship of Mr. Graham Corbett, senior partner of Peat Marwick Mitchell in Continental Europe. Mr. Corbett's U.S. partner, Mr. Joe Cummings, chairman of the International Accounting Standards Committee, was a member of the U.N. group of experts.

The ICC and the IOE believe international standards are highly desirable, but they are concerned about where to draw the line between "well-founded interest and exaggerated curiosity."

"Shell" Transport and Trading, the British arm of Royal Dutch Shell, said the report was "misdirected by having confined itself largely to disclosure issues before more fundamental agreement has been reached on basic accounting issues."

ICI said: "We do not expect the commission to come to any firm conclusions in May and anticipate that the debate will go on for many years."

Ciba-Geigy said: "Laying down obligatory standards is likely to be counter-productive, calling for a lot of time and work and yielding few usable results, unprofitable in its concept and wholly unrealistic in execution."

Nestle said: "We oppose discrimination against multinationals by putting them in a worse position than nationals."

Massey-Ferguson: "We regard the report as horrendous. It calls for information that we don't bother preparing even for internal use."

Editorial comment, Page 22

Weather

U.K. TO-DAY

DRY, some sunshine.

London, S.E. England, Channel, E. Anglia, Midlands, Lakes
Dry, with sunny periods. Max. 11C. (52F.).

E., N. England, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth, Orkney, Shetland.
Dry and rather cloudy at times. Max. 9C. (48F.).

S.W. Scotland, Argyll, N. Ireland
Dry with sunny periods. Max. 10-11C. (50-52F.).

Outlook: Colder, cloudier weather will spread from N. Scotland.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Amstdm.	S	7	45	Madrid	C	12	54
Athens	S	17	63	Manchstr.	F	9	48
Bahrain	C	31	88	Melbourne	S	26	79
Belfast	F	8	46	Milan	R	10	50
Barcelona	C	15	59	Montreal	S	5	41
Belgrade	C	10	50	Moscow	C	2	36
Berlin	S	5	41	Munich	C	5	41
Brmghm.	C	7	45	Newcastle	C	6	43
Bristol	F	8	46	New York	S	11	52
Brussels	S	10	50	Oslo	C	5	41
Budapest	C	8	46	Paris	S	11	52
B. Aires	S	20	68	Perth	C	22	72
Cairo	S	24	75	Prague	F	3	37
Cardiff	C	7	45	Reykjavik	C	7	45
Chicago	R	11	52	Rio de J'o	S	30	86
Cologne	S	10	50	Rome	R	13	55
Copnhagn.	C	4	39	Singapore	S	31	88
Dublin	F	8	46	Stockholm	C	4	39
Edinburgh	C	5	41	Strasbg.	C	9	48
Frankfurt	S	8	46	Sydney	S	23	74
Geneva	C	7	45	Tehran	C	22	72
Glasgow	C	6	43	Tel Aviv	C	18	64
Helsinki	C	0	32	Tokyo	R	14	56
H. Kong	C	21	71	Toronto	C	3	37
Jo'burg	C	21	70	Vienna	S	7	45
Lisbon	S	16	61	Warsaw	F	3	37
London	S	10	50	Zurich	C	7	45
Luxemb'g	S	7	45				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	C	13	55	Istanbul	F	12	54
Algiers	R	11	52	Jersey	F	9	48
Biarritz	F	13	55	Las Plms.	F	19	66
Blackpool	F	11	52	Locarno	C	10	50
Bordeaux	C	13	55	Majorca	C	15	59
Boulogne	F	7	45	Malaga	C	15	59
Casablnca.	F	16	61	Malta	C	16	61
Cape Town	R	19	66	Nairobi	S	21	71
Corfu	C	16	61	Naples	F	14	57
Dubrovnik	C	15	59	Nice	F	15	59
Faro	F	18	64	Oporto	S	16	61
Florence	R	12	54	Rhodes	C	18	64
Funchal	F	17	63	Salzburg	C	7	45
Gibraltar	R	14	57	Tangier	C	14	57
Guernsey	C	8	46	Tenerife	F	13	55
Innsbruck	C	6	43	Tunis	R	16	61
Inverness	F	6	43	Valencia	C	14	57
Isle of Man	S	9	48	Venice	C	11	52

C—Cloudy. F—Fair. R—Rain. S—Sunny.

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